



EVS BROADCAST EQUIPMENT – 2021/FY RESULTS

February 24th, 2022

Corporate Communication



DISCLAIMER

Forward Looking Statements

This presentation 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.

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

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

2021 FY HIGHLIGHTS

REVENUE & ORDER BOOK AT RECORD HIGH

REVENUES

- FY20 : 88.1MEUR
- FY21 : 137.6MEUR (+56%)

EBIT

- FY20 : 5.7MEUR
- FY21 : 37.1MEUR (+557%)

EOY ORDER BOOK

- EOY20 : 53.9MEUR
- EOY21 : 63.9MEUR (+19%)

EOY NET CASH

- EOY20 : 35.7MEUR
- EOY21 : 54.9MEUR (+54%)

/ DYNAMIC MARKET BASED ON LSP CATCHUP & GLOBAL GROWTH OF CUSTOMERS INVESTMENTS FOR BOTH LAB & LSP

- CATCH-UP OF LSP INVESTMENTS TO COPE WITH NEW REQUIREMENTS SET BY COVID ACCELERATED PRACTICES AND HDR FORMAT BECOMING A DE-FACTO STANDARD
- GROWTH OF LSP INVESTMENTS AND WILLINGNESS TO ENGAGE IN LONG TERM CONTRACTS TO RENEW THEIR FLEET OF XT SERVERS BASED ON ROCK SOLID AND FEATURE RICH LIVECEPTION SOLUTION
- MANY LAB CUSTOMERS WILLING TO RENEW THEIR INFRASTRUCTURE TO BOOST THEIR PRODUCTIVITY BASED ON THE BENEFITS BROUGHT BY NEW TECHNOLOGIES AS IP, SW AND AI
- STRONG APPETITE FOR HYBRID WORKFLOWS LEVERAGING JOINED BENEFITS OF “ON-PREM” AND CLOUD AS FOR XTRAMOTION REPLAYS AND HIGHLIGHTS
- PROGRESSIVELY HIGHER DEMAND FOR NEW OPEX BASED BUSINESS MODELS

/ EVS IN A STRONG POSITION TO CAPTURE INVESTMENTS WITH A RISK ON ELECTRONIC COMPONENTS AVAILABILITY

- TRACTION OF MEDIACEPTION SOLUTION FOR BROADCAST CENTER MODERNIZATION BASED ON STRONG MARKET REFERENCES
- EVS ENTERING IN THE VIDEO ROUTING MARKET THROUGH STRONG REFERENCES OF EVOLUTIVE STRADA ROUTING SOLUTION
- NEW ATTRACTIVE CHANNEL PARTNER PROGRAM LEVERAGING TIERED OFFERING TO FULFILL THE NEEDS OF MID-TIER PRODUCTIONS
- NEW “ON-DEMAND” BUSINESS MODEL TO COPE WITH CUSTOMER CONSTRAINTS, MORE SERVICES OFFERED IN SAAS AS “BIG-EVENTS PROVEN” MEDIAHUB SOLUTION
- CHALLENGING CONDITIONS ON THE MARKET OF ELECTRONIC COMPONENTS
- SEVERAL AWARDS PROVING THE CONTINUOUS INNOVATION WITHIN EVS
- EVS TECHNOLOGY AT THE CORE OF MAJOR 2022 EVENTS

2021 FINANCIAL HIGHLIGHTS

RECORD ORDER INTAKE & REVENUE

/ 2021 Revenue:

(+56,2% YoY)

- Accelerated growth in LAB (+27.5%) and in LSP (+71.5%) market pillars
- Back-orders end of 2020
- Big Events

EUR 137.6 million

/ Healthy Profitability

- Gross margin
- Positive EBIT
- Operating expenses growing 11%, explained by Axon integration and expenses linked to the overall performance of 2021. In addition, we have expenses supporting our business transformation strategy.

69.6%

EUR 37.1 million

/ Net profit

(+386% compared to 2020 due to higher revenue)

EUR 34.9 million

2021 – SUCCESSFUL SUMMER EVENTS

- / 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!
- / 2022 – Excellent early feedback from winter major events!



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

✓ Portfolio branded in terms of **solutions**
✓ New **solutions** as MediaInfra Strada and MediaHub

✓ Many success of Xeebra Essential for FIFA VAR Light
✓ New **channel partner** success through the new program

✓ MediaHub 365 sold based on a **subscription model**
✓ EVS Credits applied for « **On-demand** » business model

✓ Media Infra Strada as an **evolutive IP routing** solution
✓ More and more AI in the solutions

✓ Pure **SW** solutions (PAM & servers) deployed
✓ Major summer events integrating **cloud** ingredients

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

✓ More & more transverse modernization contracts
✓ RTBF Flexible Control Room project

... 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



LiveCaption

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

- LARGE XT UPGRADE CONTRACTS (E.G. GAMECREEK FOR HDR UPGRADE, AMP VISUAL)
- XTRAMOTION AS AN AFFORDABLE HYBRID WORKFLOW TO CREATE MORE EMOTION AS PROVEN WITH FOX SPORTS
- CONFIRMED CERTIFICATION & SUCCESS OF XEEBRA (E.G. WITH GRAVITY AND IN CIS WITH XEEBRA ESSENTIAL)



MediaCption

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

- STRONG MARKET REFERENCES, ESPECIALLY IN US
- LARGE MARKET TRACTION FOR MODERNIZATION PROJECTS
- MORE PARTNERS ENHANCING THE OVERALL SOLUTION
- NEW « BIG EVENTS PROVEN » MEDIAHUB SOLUTION OFFERED IN SAAS



MediaInfra

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

- NEW EVOLUTIVE STRADA ROUTING SOLUTION WITH STRONG WINS IN NALA
- LARGE CONTRACTS IN NALA WHERE AXON WAS NOT PRESENT
- ADOPTION OF NEURON IN JAPAN
- CEREBRUM CONTROL SYSTEM DEPLOYED EVERYWHERE

SECURED CONTRACTS FOR BIG EVENTS IN 2022

SEVERAL AWARDS FOR NEW SOLUTIONS PROVING CONTINUOUS INNOVATION AT EVS



- IABM BaM award in the “Create category”
- NAB Best in Market award -TV Technology
- Broadcast Production Award in the “Production category”



- NAB Best in Market award - TV Technology
- DMW Award in the “IP Broadcast Production category”

NEW CHANNEL PARTNER PROGRAM IN PLACE

EVS

SOLUTIONS PRODUCTS SERVICES EXPERTISE CAREERS COMPANY INVESTORS CONTACT MY EVS

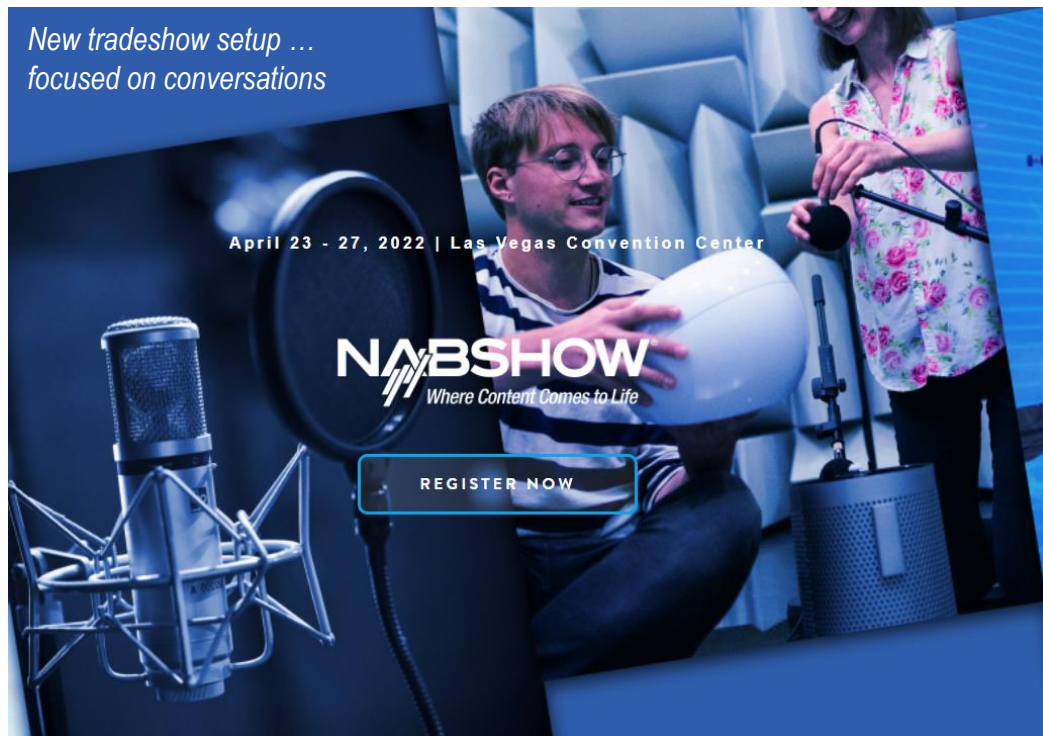
HOME > PARTNERS > CHANNEL PARTNER PROGRAM

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

Channel partner program

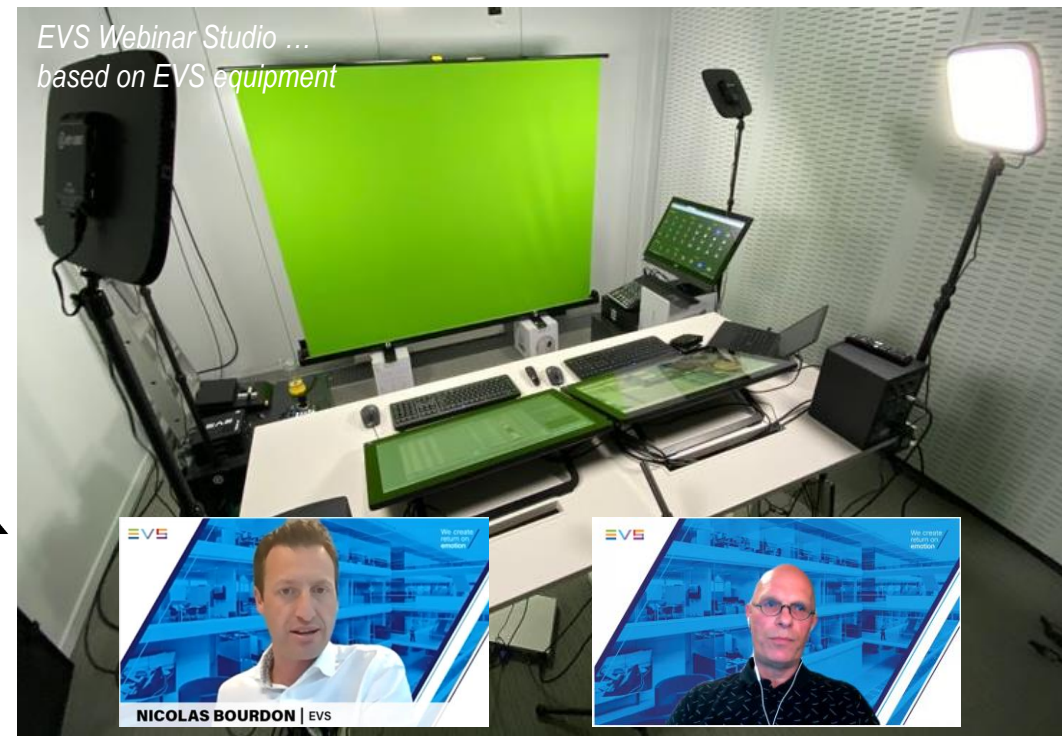
EVS BACK IN TRADE SHOWS WHEN CONFIRMED WHILE CONTINUING REMOTE INTERACTIONS WITH CUSTOMERS

EVS back in the trade shows
when relevant and possible



&

Continue to leverage the efficiency
of remote interactions with customers



MAIN RISKS

SCARCITY OF ELECTRONIC COMPONENTS & SALARY INFLATION



- EVS tightly manages the inventory of electronic components to ensure the delivery of the so-demanded EVS products & solutions with a decent delay after the order



- EVS closely follows inflation due to:
 - salary inflation
 - continued price increase of electronic components as observed during 2021

EVS FINANCIAL UPDATE

- / FY2021 FINANCIAL HIGHLIGHTS
- / FY2021 REVENUES
- / GEOGRAPHICAL SPLIT
- / REVENUE DESTINATION SPLIT
- / CONSOLIDATED INCOME STATEMENT
- / TEAM MEMBERS
- / STRONG BALANCE SHEET

2021 FINANCIAL HIGHLIGHTS

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/ Net profit

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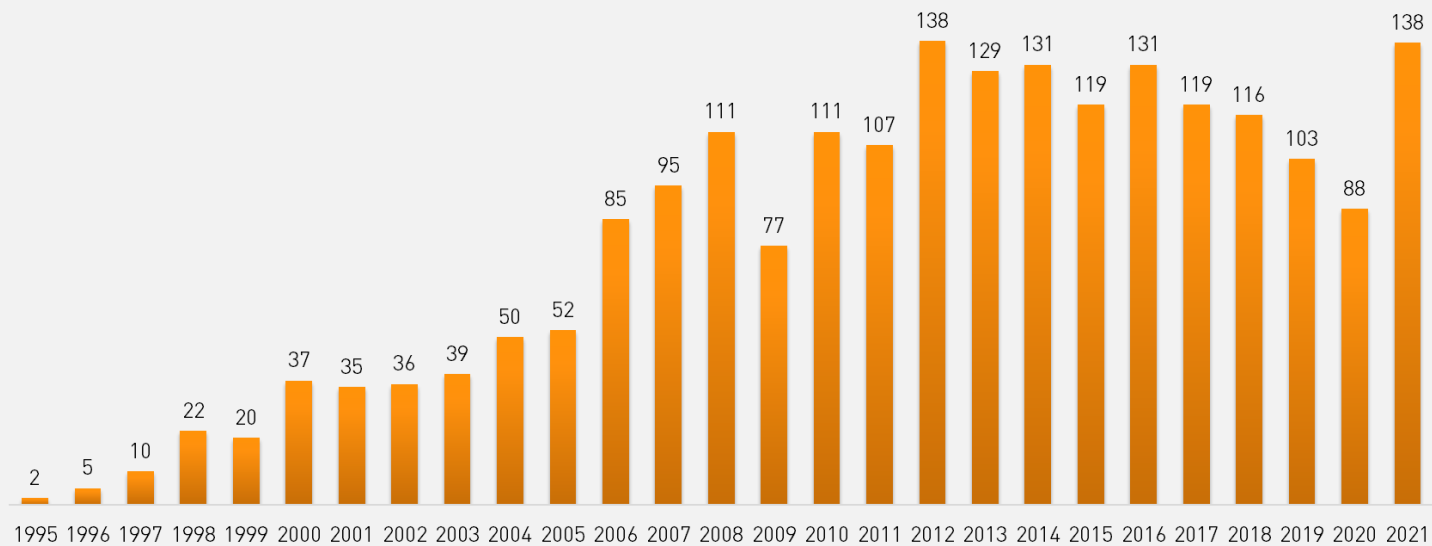
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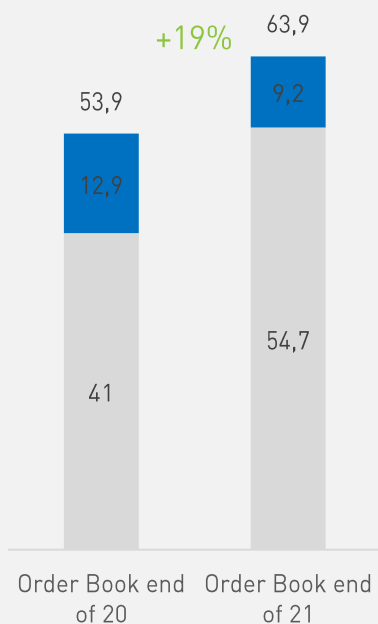
FY2021 REVENUE



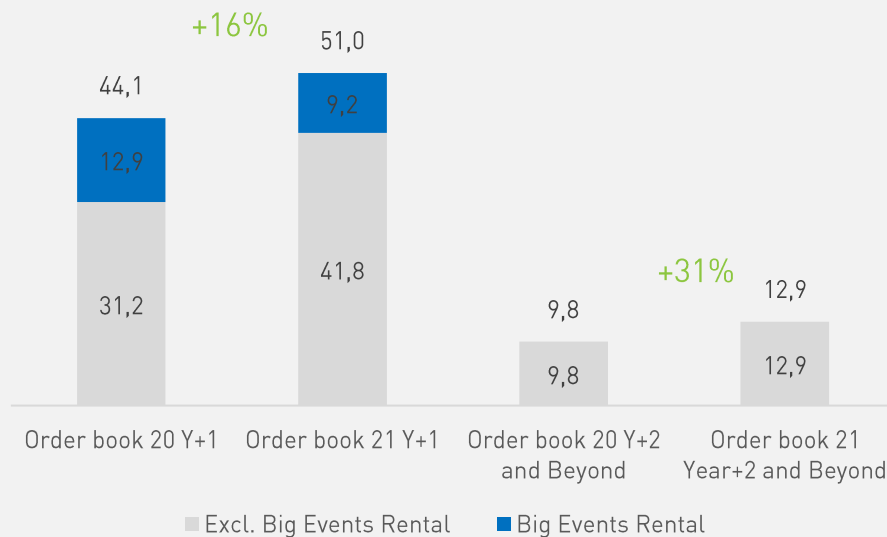
- Record-high revenue, thanks to
 - Back-orders end of 2020
 - Big Events Rentals
 - Strong OI in 2021 with in-year revenue conversion

2021 ORDER BOOK

TOTAL ORDER BOOK VS
LAST YEAR (Mio€)



ST AND LT ORDER BOOK (Mio€)



- Order book at year start at record high (+19% YoY)
- Order book grows over time following:
 - High order intake in 2021
 - Increase in SLA coverage (recurring revenues)
- Significant increase of long-term order book

ST (Short Term)=Year + 1
LT (Long Term)=Year + 2 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”

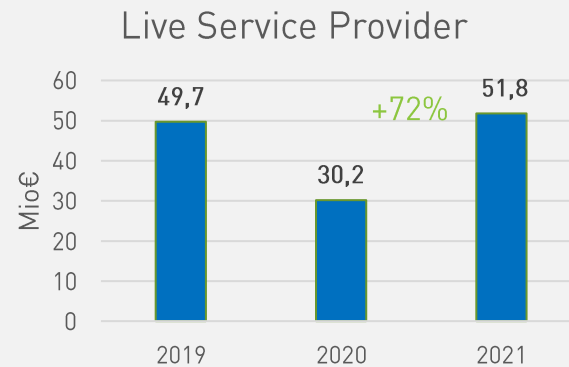
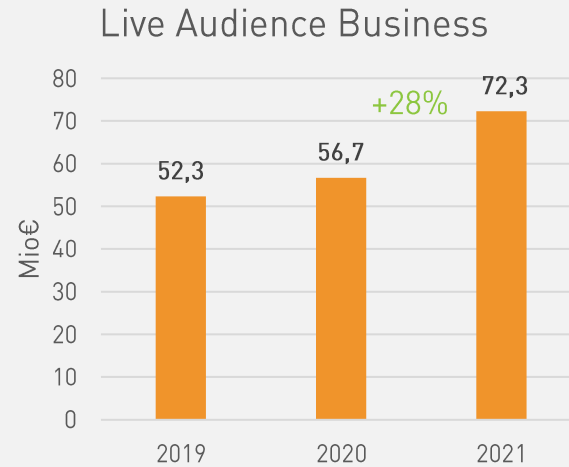
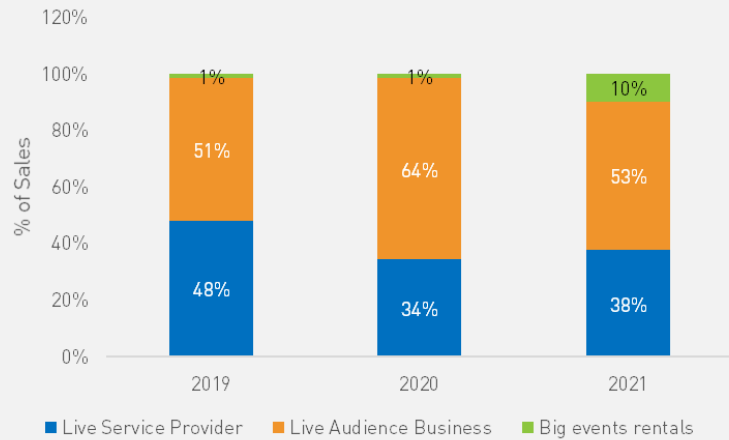


/ BIG EVENTS RENTAL

Highlight the non-yearly revenue base.

Revenue from major non-yearly big events rental.

2021 REVENUE BY MARKET PILLARS

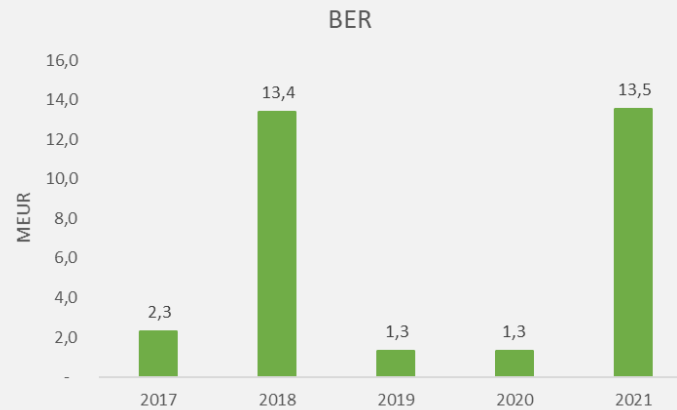
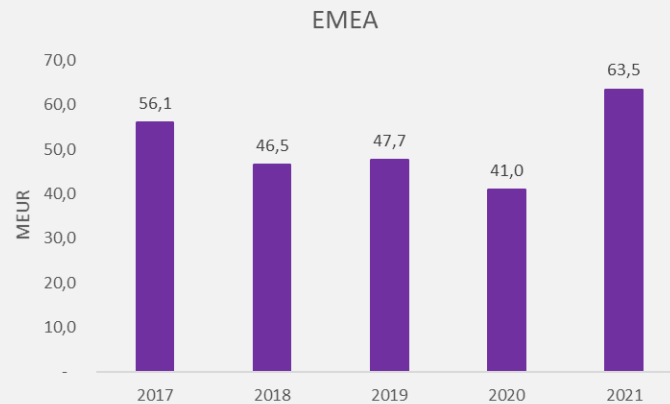
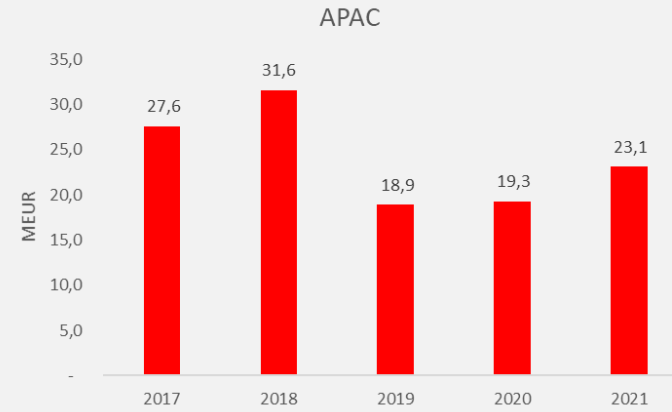
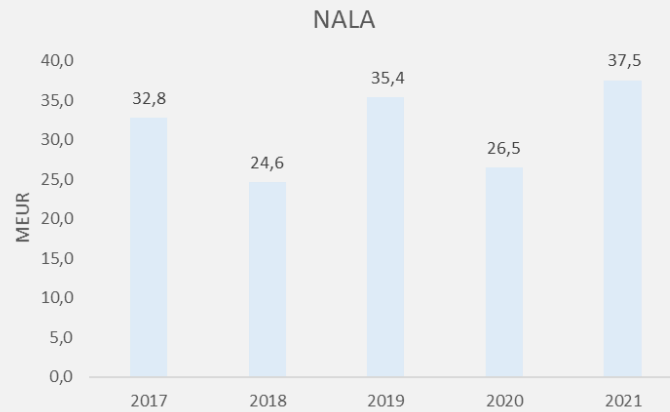


/ Accelerated growth in LAB market pillar thanks to attractive MediaCeption solution based on VIA platform

/ Catch-up of LSP customers to support summer events

/ LSP customers are embracing the EVS solutions and embed new practices in their production environment

2021 REVENUE BY REGION



/ Large LAB contracts in NALA support the growth in the region

/ LSP catch-up supports the growth in EMEA

/ LSP embrace the challenges of the new world (hybrid production)

/ BER revenues are strong following delayed 2020 events

CONSOLIDATED INCOME STATEMENT

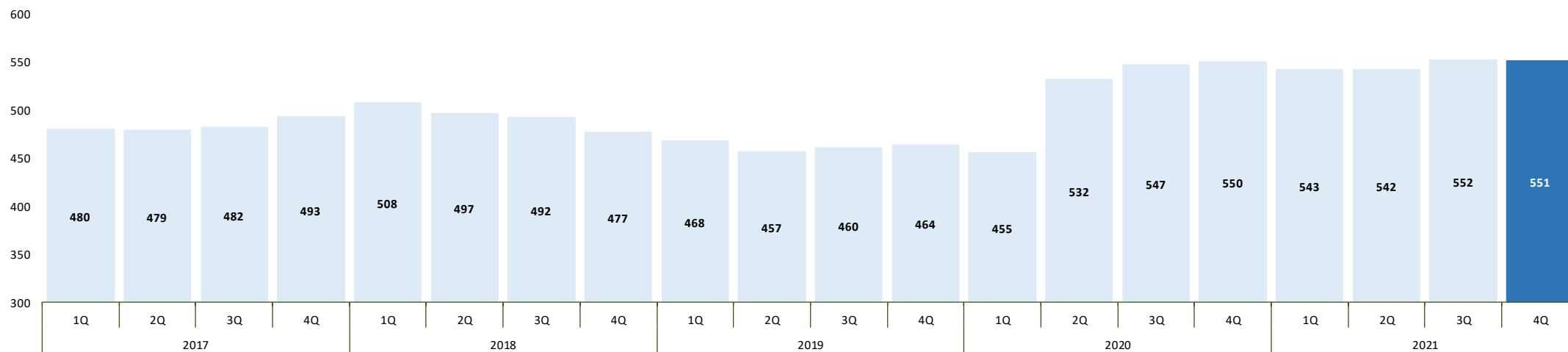
In millions of EUR	2021	2020
Revenue	137,6	88,1
Cost of sales	41,8	29,6
Gross profit	95,8	58,6
Gross profit margin	69,6%	66,5%
S&A	32,4	27,5
R&D	27,1	24,0
Other Revenue/Expenses	1,5	1,7
EBIT	37,1	5,7
EBIT margin	27,0%	6,4%
Financial result	2,4	2,1
Taxes	2,8	2,8
Net profit	34,9	7,2
Basic earnings per share (in EUR)	2,60	0,53

- / Record-high revenue performance growing +56% YoY
- / Solid gross margin at 69,6%, growing +3,1Pts, positively impacted by Big Event Rentals. Gross margin performance in 2021 shows limited impact of the costs of components increasing following the shortage on the market.
- / OPEX increases with 11% YoY following the acquisition of Axon and more normalized spending pattern after COVID. Once normalized, the increase is primarily linked to the performance of 2021 (variable remuneration) and some expenses to support our business transformation
- / EPS: 2,60 EUR (+391% YoY)

TEAM MEMBERS EVOLUTION

SLIGHTLY INCREASING WORKFORCE SINCE ACQUISITION OF AXON

FTE Count evolution (end of quarter)



- Overall HC at +1FTE end of 2021 compared to end of 2020.
- Average HC is increasing +33FTE year-over-year, obviously as a consequence of the Axon integration in May 2020.
- Acceleration of hirings in 2H21 to fuel growth and future perspectives

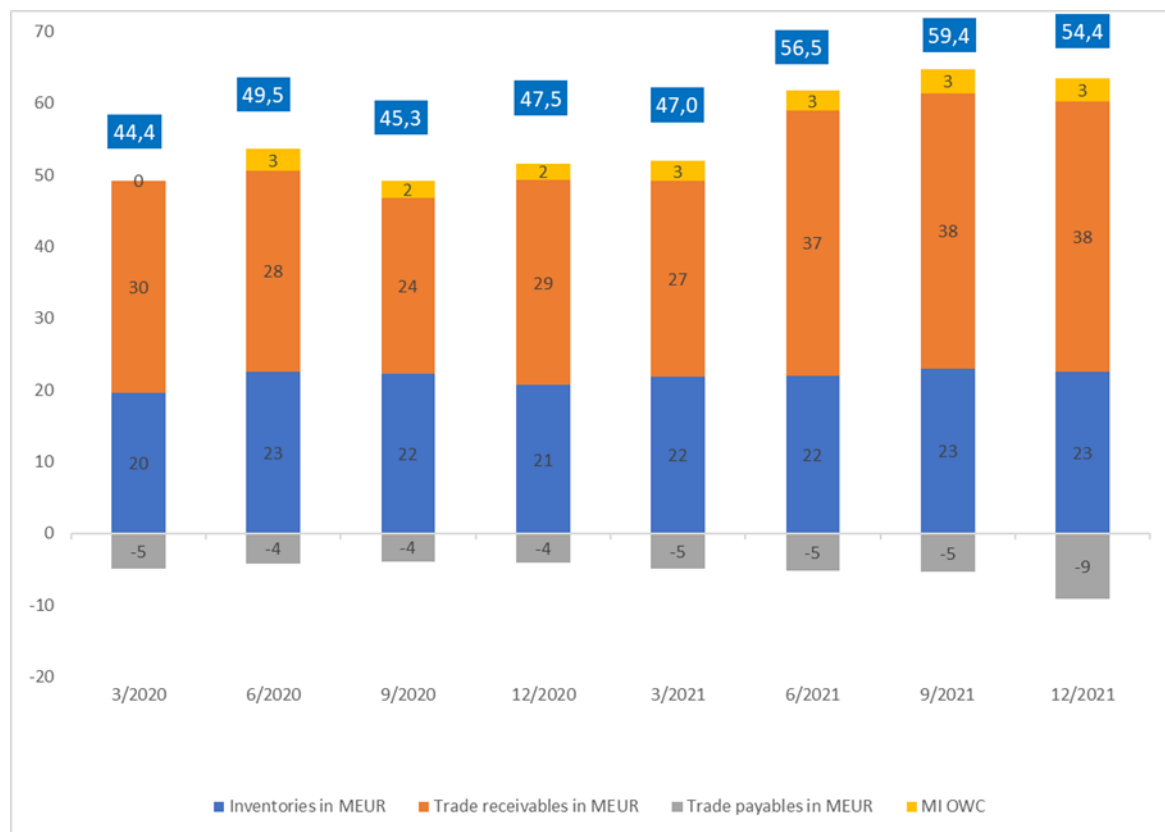
STRONG BALANCE SHEET

NET CASH POSITION AT 54,9MIO€

ASSETS (kEUR)	4Q 21	4Q 20	Δ	EQUITY AND LIABILITIES(EUR thousands)	4Q 21	4Q 20	Δ
Non-current assets :				Equity :			
Goodwill	2.832	2.832	0	Capital	8.772	8.772	0
Other intangible assets	6.113	7.041	-928	Translation differences	751	276	475
Lands and buildings	52.673	51.662	1.011	Total consolidated reserves	152.794	131.473	21.321
Other tangible assets	4.307	5.034	-727	Total equity	162.317	140.522	21.795
Investment accounted for using equity method	1.920	1.760	160	Non-current liabilities:			0
Other financial assets	404	395	9	Long term provisions	1.502	1.299	203
Other long term amounts receivables	2.408	543	1.865	Deferred taxes liabilities	11	1.389	-1.378
Deferred tax assets	5.933	8.725	-2.792	Financial and other long term debts	15.379	13.244	2.135
Total non-current assets	76.590	77.992	-1.402	Total Non-current liabilities	16.892	15.932	960
Current assets :			0	Current liabilities			0
Inventories	25.951	22.579	3.372	Short term portion of financial debts	3.728	4.713	-985
Trade receivables	38.924	30.728	8.196	Trade payables	10.497	5.775	4.722
Other amounts receivable and accruals	6.417	5.930	487	Amounts payable regarding remuneration and social security	10.658	7.005	3.653
Other financial assets	201	120	81	Income tax payable	2.586	2.259	327
Cash and cash equivalents	72.144	52.668	19.476	Other amounts payable and accruals	13.549	13.811	-262
Total current assets	143.637	112.024	31.613	Total Current liabilities:	41.018	33.562	7.456
Total assets	220.227	190.016	30.211	Total equity and liabilities	220.227	190.016	30.211

- / EVS continues to have a strong balance sheet with net cash position of 54,9Mio€ with low debt level (of which 13,4Mio€ related to IFRS 16) resulting in a total equity representing 73.3% of the total balance sheet as of the end of December 2021.
- / Lands and building mainly include the new headquarters in Liège as well as the right of use for the offices abroad (IFRS16). Twelve months depreciations on intangible assets, lands and buildings (including the right of use assets) and other tangible assets reached 7,0Mio€. Liabilities include 17,3Mio€ of financial debt (including long term and short-term portion of it), mainly related to the lease liabilities for 13,4Mio€ and borrowings for 3,9Mio€.
- / Inventories amount to 25,9Mio€ and include around 3,4Mio€ value of Axon equipment.
- / In the liabilities, long-term provisions include the provision for technical warranty on EVS products for labor and parts and the other amounts payables include mainly customer advances received and accruals (accrued charges and deferred income)

INCREASE OF WORKING CAPITAL



Operating working capital at 54,2 MEUR

+14,4% in comparison to YE20 as a consequence of:

- Higher inventories (+1,9Mio€) a pro-active measure to limit the impacts of the shortage in the components market on our supply chain
- Higher trade receivables (+9,0Mio€) following the record-high revenue achievement

offset by

- Higher trade payables (+5Mio€) also a reflection of the higher volumes in our business

OUTLOOK & GUIDANCE 2022

All company indicators are green to deliver success in 2022

2022 financial outlook

- We start the year 2022 with the highest order book in the history of EVS at EUR 63,9 million (+19% YoY), of which:
 - EUR 41,8 million to be recognized in revenue in 2022 (+34% YoY and excl Big Event Rentals)
 - EUR 9,2 million to be recognized in revenue in 2022 for Big Events Rental (compared to 12,9Mio€ at the end of 2020)
 - EUR 12,9 million to be recognized in revenue in 2023 and beyond (+32% YoY)
- We expect revenue for 2022 to be in a range of **EUR 125 million and EUR 140 million**, based on the current indicators. EVS does see an increasing impact of the worldwide shortages in the supply chain of electronic components, which may impact our revenue generation.
- Operating expenses will continue to grow mid to high single digits because of inflation and additional hirings to continue and fuel our growth. Further evolution of inflation can potentially impact this assessment.

DIVIDEND PROPOSAL

- EVS proposes a base gross dividend for the year 2021 at EUR 1,00 share**
- Next to that, EVS would like to honor its past dividend promises. After difficult market conditions in 2020, following the pandemic, EVS would like to grant an additional exceptional gross dividend:
 - ✓ A first additional exceptional gross dividend of EUR 0,50 per share in May 2022**
 - ✓ A second additional exceptional gross dividend of EUR 0,50 per share in May 2023*, **
- For future years (period 2022-2024) EVS proposes to renew the dividend policy. A proposal will be presented to the Ordinary General Meeting of shareholders. Our ambition is to deliver a total gross dividend of EUR 1,10 during the coming 3 years*, **

* subject to market conditions

** subject to the approval of the Ordinary General Meeting of shareholders

NEXT FOCUS & CONCLUSIONS

- / NEXT FOCUS - KEY ACTIVITIES FOR 2022
- / CONCLUSION

NEXT FOCUS - KEY ACTIVITIES FOR 2022

- / Deliver the large multi-years modernization projects that we have won
- / Promote the benefits of the new solutions created in 2021
- / Continue to expand EVS solutions offering, organically, through acquisitions and strategic partnerships
- / Prepare and deliver 2022 major events

CONCLUSION

- / Record high revenues & order book
 - Major summer events delivered successfully
 - Continuous – and even accelerated – growth in LAB market pillar
 - Catch-up and growth in LSP market pillar based on confirmed XT upgrades
- / EVS evolution based on PLAYForward strategy continues as planned
 - With new attractive solutions in all categories
 - Addressing premium and mid-tier markets
 - Direct or through the new channel partner program
- / The gross margin percentage is expected to be negatively impacted by the rising prices of the components and inflation.
- / Opex is expected to increase mid to high single digit based on inflation of manpower and components as well as higher investment to support profitable growth
- / Guidance for the year 2022 is between 125 and 140 million EUR.
- / Dividend of 1.00EUR for year 2021, increased with an exceptional dividend of 0,50EUR per share as to honor the past dividend policy promises
- / Renewed dividend policy for 2022-2024



QUESTIONS & ANSWERS

THANK YOU

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Search for EVS Broadcast Equipment on



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