



2023 Half-Year results

Corporate communication

August 18th, 2023

→ [evs.com](https://www.evs.com)



Disclaimer

Forward Looking Statements



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Agenda



1. Business Update
2. Financial Update
3. Outlook
4. Conclusions
5. Questions & Answers

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2023 HY corporate highlights

Progress on our PLAYForward strategy



Market & customers

- Record results for revenues
- Strong order intake
- Strong profitability results
- Secured big events for 2024 (not included in H1 order intake)

Technologies

- AI for broadcast specific enhancements
- Thought leadership about « Balanced computing »
- The right mix between HW and SW

Corporate topics

- ESG strategy delivers clear results & recognition
- Corporate transformation projects on track
- Channels strategy pays off
- Team size stable compared to June 2022
- Scaling our support organisation on a global level

Shareholders

- « Investor day » planned in November 2023
- Drive value through growth of revenue, profitability and order book
- Demonstrated capability to successfully execute M&A transactions
- Strong EPS supporting long term dividend policy

1H 2023 Financial Highlights



Strong financial performance underpinning the profitable and sustainable growth trajectory

1H2023	Unit	Value	YOY
Revenue	Mio€	87,4	+29,1%
EBIT	Mio€	25,0	+58,6%
Net profit	Mio€	21,2	+36,8%
Order book	Mio€	132,7	+5,0%
Team members at June 30 th	FTE	607	+13



2030 TARGET

OUR BHAG

BECOME THE **NUMBER ONE SOLUTION PROVIDER**
IN LIVE VIDEO INDUSTRY



EV5

EVS Evolution Journey

Last 12 months evolution & actions



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

- ✓ Success of Axon integration proven by contracts & figures
- ✓ Solutions appreciated by customers & partners
- ✓ Key references won for new solutions
- ✓ XT-GO is a success for smaller OBVans
- ✓ On-boarding of key structural channel partners
- ✓ SLA & OPEX continue to increase thanks to quality of support
- ✓ eShop for licenses launched with first customers
- ✓ MI order book continuously increasing
- ✓ IP as a core reason to upgrade from XT3 to XT-VIA
- ✓ XTRAMOTION as a proofpoint of balanced computing
- ✓ HW and SW mix evolving with techno capabilities
- ✓ All EVS products designed for remote production
- ✓ Balanced computing as the new moto
- ✓ More & more transverse modernization contracts
- ✓ Key contracts with major 24x7 int'l news

... 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

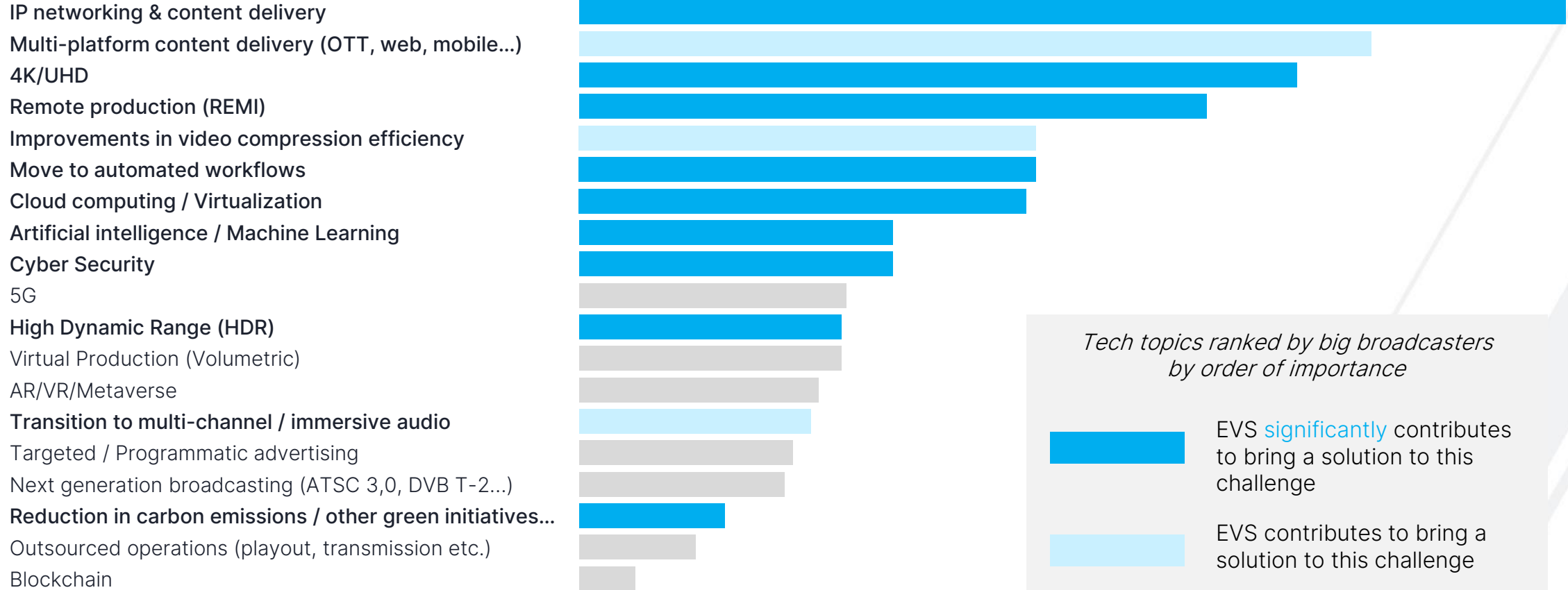
FOR LIVE ANYWHERE OPERATION

IN SPORTS, NEWS & ENTERTAINMENT

EVS Solutions

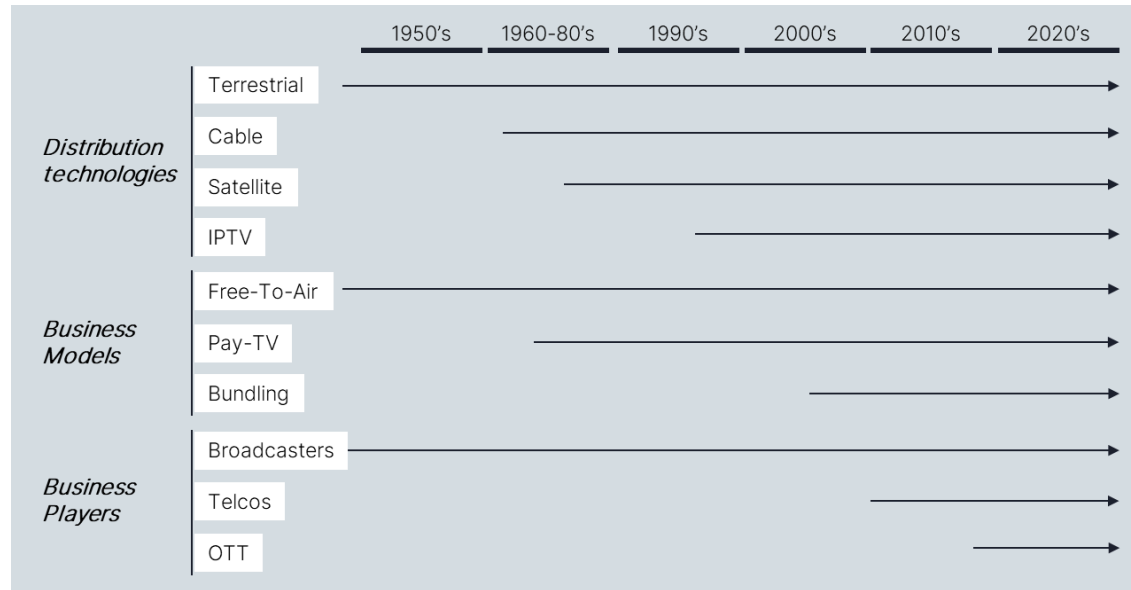


Designed to solve the problems faced by our customers



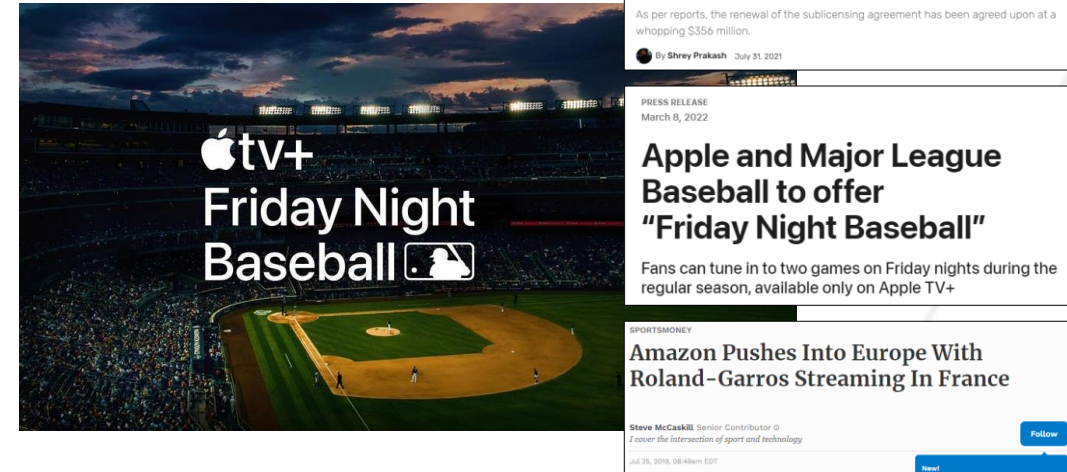
EVS business perspective

Correlation to the volume of premium live productions

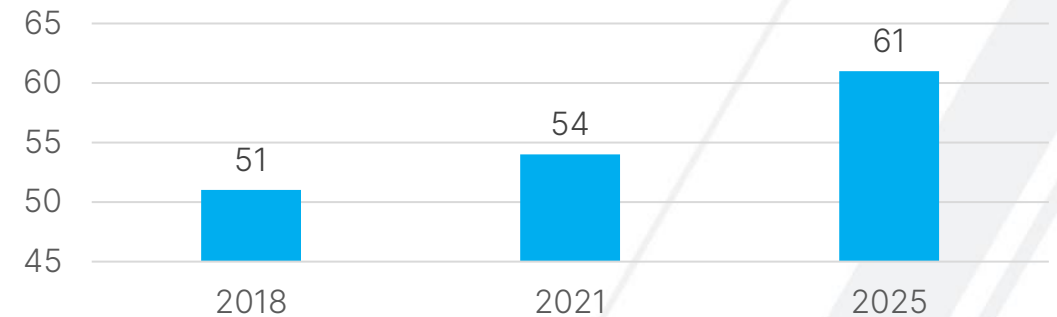


Whatever the way live content is distributed,
 Whatever the business model,
 Whatever the business player,
the value of live content only increases!

BIG TECH INTEREST IN US SPORTS RIGHTS TRIGGERS 10-YEAR CONTRACT WORTH OVER \$50M FOR EVS



Global value of Media Rights 2018 to 2025 (\$M)



Source: SportBusiness Global Media Report 2022

BIG EVENTS 2024

Powered by EVS



**EVS JUST LEFT THE STARTING BLOCKS
TO PREPARE 2024 BIG EVENTS
BASED ON RECENTLY CONFIRMED CONTRACTS**

EVS strengthens its position to provide the solution and related services to support the live production of the major 2024 sport events.

EVS is broadening the scope thanks to Media Infrastructure equipment.

With remote production and increased complexity, we provide an end-to-end solution including support services. Remote production supports the reduction of carbon emission.

Combining products to create the perfect solutions



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

- LIVECEPTION SIGNATURE REMAINS THE REFERENCE IN TERMS OF WORKFLOWS FOR PREMIUM PRODUCTIONS
- XTRAMOTION NEXT TO CLOUD NOW AVAILABLE ON-PREMISE FOR VERY SHORT TURN-AROUND DELAY – NAB AWARD
- MORE AND MORE COMPREHENSIVE LSM-VIA WITH MULTIREVIEW FEATURES FOR BETTER HIGHLIGHTS



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

- VIA CREATE LIVE EDITING CREATING A DIFFERENCE IN TERMS OF WORKFLOWS
- MEDIACEPTION SIGNATURE NOW WELL DEPLOYED IN US AND WEU
- MARKET TRACTION REFLECTED IN RECORD HIGH LAB ORDER INTAKE
- MEDIAHUB IN SAAS FOR MEDIUM SIZE EVENTS

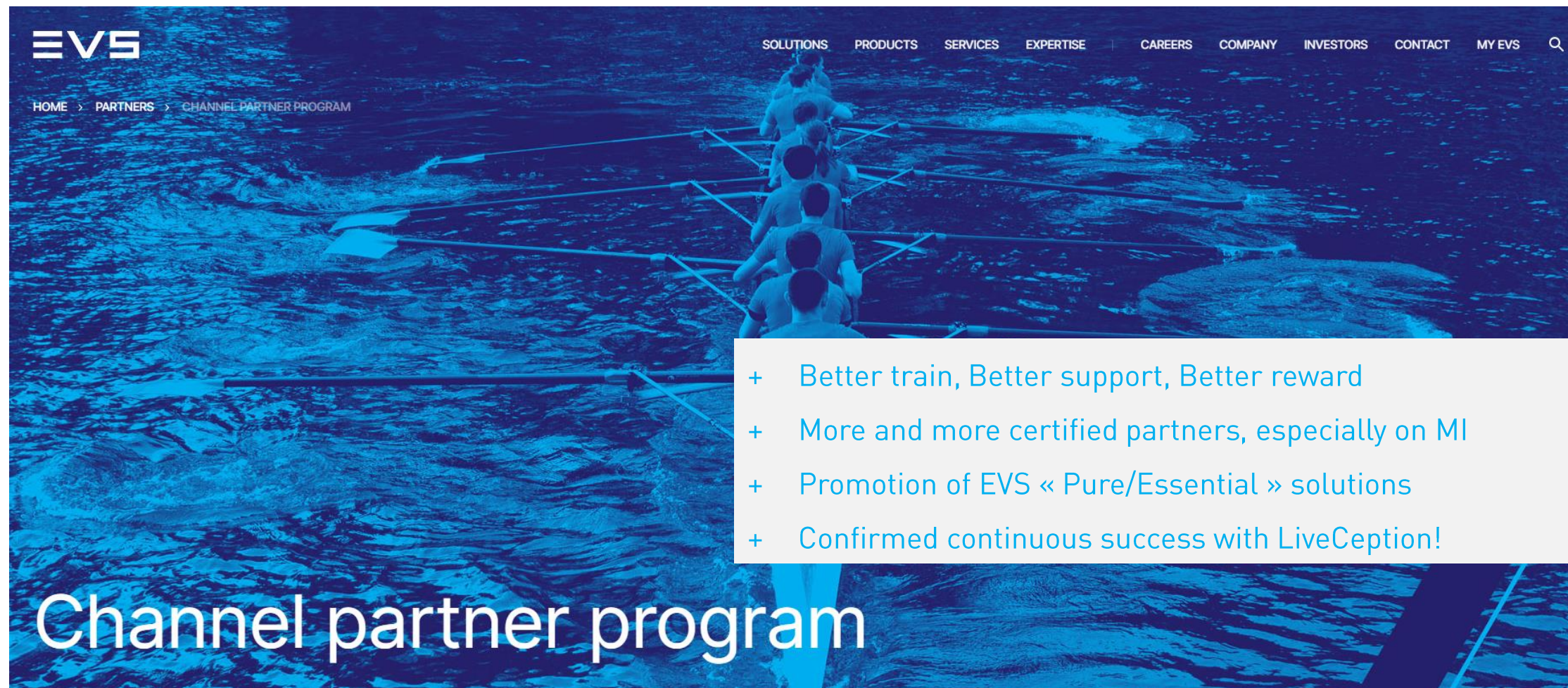


Routing and infrastructure solutions to **control and process all media workflows**

- STRADA EVOLUTIVE ROUTING SOLUTION IN OPERATION BY MORE AND MORE CUSTOMERS
- NEURON VIEW AS THE NEW APPLICATION STRENGTHENING NEURON ECOSYSTEM
- CEREBRUM EVERYWHERE, REGULARLY WINNING AGAINST COMPETITION
- CEREBRUM CONTINUOUSLY IMPROVED

From Opportunistic to Sustainable partnership

The transition bears first fruits, especially in the US with Media Infrastructure

A screenshot of the EVS website's 'Channel Partner Program' page. The background is a blue-tinted image of a rowing team in a boat. The page layout includes a top navigation bar with links: SOLUTIONS, PRODUCTS, SERVICES, EXPERTISE, CAREERS, COMPANY, INVESTORS, CONTACT, MY EVS, and a search icon. Below the navigation bar is a breadcrumb trail: HOME > PARTNERS > CHANNEL PARTNER PROGRAM. The main content area features a list of four bullet points, each preceded by a plus sign. At the bottom of the page, the text 'Channel partner program' is displayed in a large, white, sans-serif font.

- + Better train, Better support, Better reward
- + More and more certified partners, especially on MI
- + Promotion of EVS « Pure/Essential » solutions
- + Confirmed continuous success with LiveCeption!

Channel partner program

NAB Show

Feedback



- Customers **understand and follow** EVS' strategy enabling many conversations about **future concrete projects**
- Large attendance from **NALA clients**
- Significantly increased interest from **Channel partners**
- AI based **XTRAMOTION Best-of-Show award** confirming **Balanced computing** concept as the right approach



Components & Inflation

Continuously monitoring the situation



EVS tightly manages the inventory of electronic components to ensure the delivery of its products & solutions with reliable delivery times



EVS closely follows macro-economics, such as salary inflation and continued price increase of electronic components, as to ensure the future profitability of its solutions.

ESG



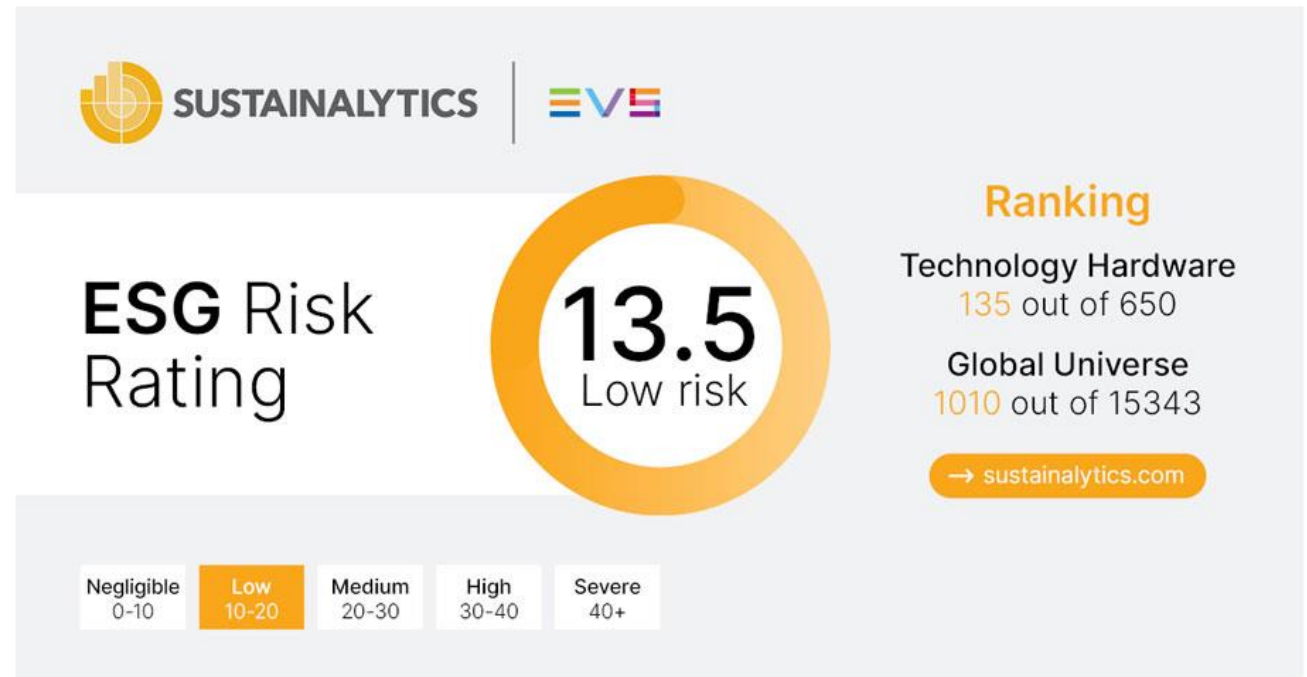
EVS further increases its ESG efforts, and receives external recognition

EVS objectives:

- Focus on increasing customer satisfaction
- Focus on team members engagement
- Reduce carbon footprint
- Responsibly sourced components, products and services
- Increased social engagement with local communities
- Optimal governance



With a risk score of 13.5, EVS is ranked in the 7th percentile in Sustainalytics' global universe of more than 15,000 rated companies, indicating a significant improvement from the previous year, with a decrease of 9.2 points.



Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how effectively it manages those risks. The higher the unmanaged risk, the higher the ESG Risk Rating score.



EVS

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EMPLOYER

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BELGIQUE
BELGIUM
2023

CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS



2G 2205

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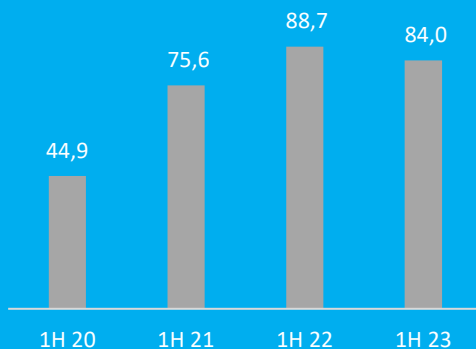


1H 2023 Topline Performance



Strong topline performance demonstrating our growth path

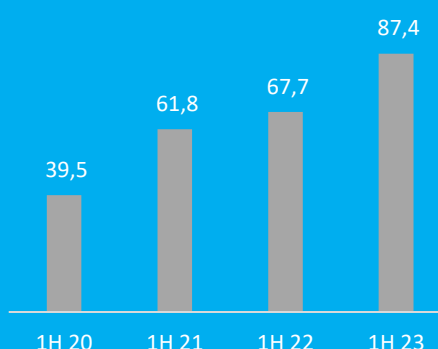
Order intake



84,0M (-5,3%)

Strong order intake of EUR 84,0Mio€ during 1H23, slightly below 2022 level at the same period. Order intake keeps up the pace with the strong revenue performance of 1H23.

Revenue

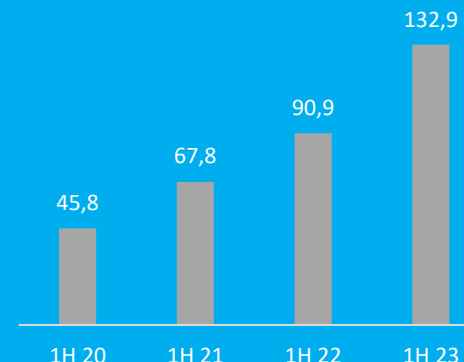


87,4M (+29,1%)

Revenue growing +19,7Mio€ (+29%) despite no major Big Events in 2023. Once neutralized for Big Events, the growth is of +41%.

Growth is driven by the strong back-order position at year start and is strong across all regions. On top, we have a strong in year conversion rate of deals signed in 2023.

Order book*



132,9M (+46,2%)

The long-term order book - beyond 2023 - is growing to 61,7Mio€, an increase of 5,8Mio€ compared to the beginning of the year 2023.

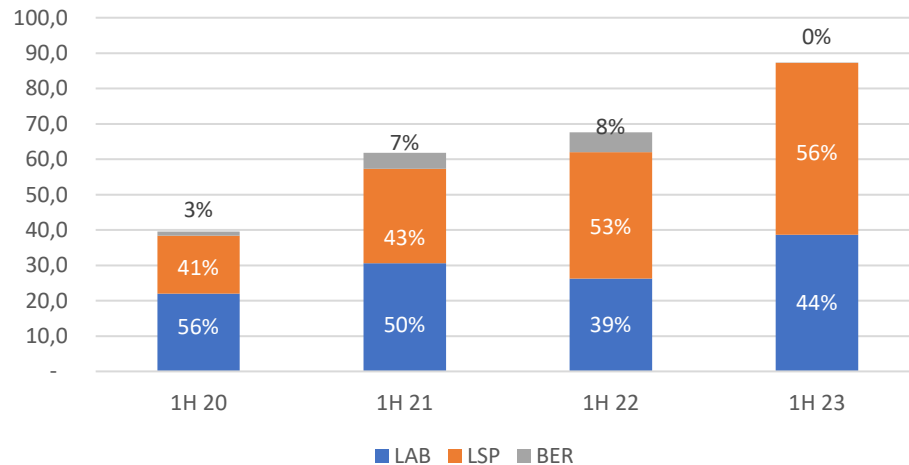
The secured revenue for 2023 is at 158,7Mio€ at the end of June, confirming our growth ambition for the year 2023.

1H 2023 Revenue Analysis

Strong performance with sound spread by market pillar and region

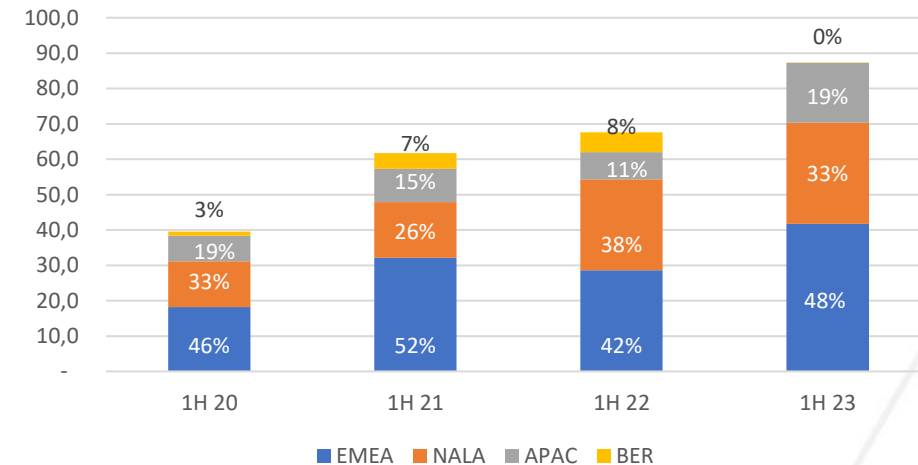


Evolution Revenue by Pillar



- Our 2 main Market Pillars (Live Service Providers and Live Audience Business) show strong revenue growth compared to H1 2022. As expected in an uneven year, our third Market Pillar (Big Event Rental) generated close to no revenues in H1.
- The growth of our 2 main Market Pillars largely outperforms the absence of Big Event Rental revenues in H1.

Geographical split



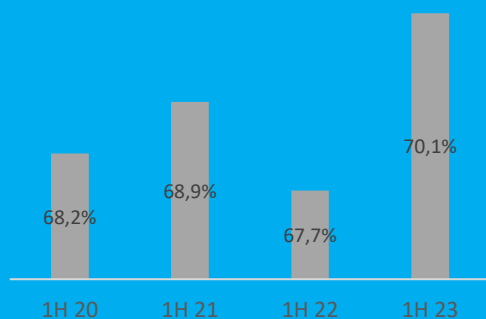
- Geographically we see a strong growth performance of all regions (EMEA, NALA and APAC).

1H 2023 Profitability



Profitability boosted by strong revenue and margin performance

Gross Margin

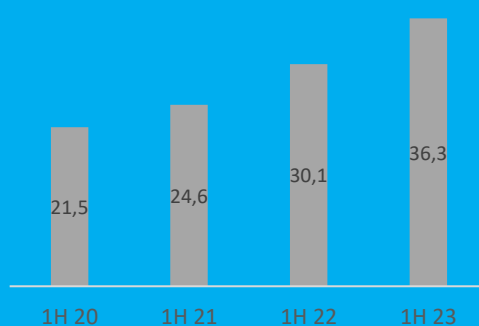


70,1% (+2,4Pts)

Strong gross margin performance demonstrating a growth of 2.4Pts, a consequence of the strong revenue performances and our margin optimization plan for each solution.

Our pricing strategy ensures that each solution is contributing positively to our profitability.

Operating Expenses*

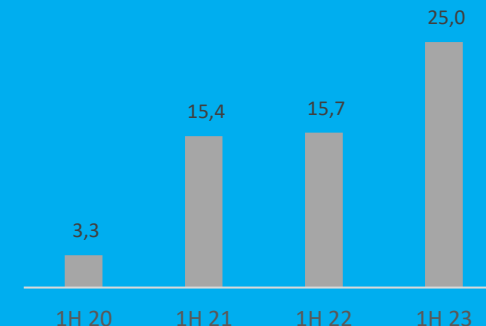


36,3M (+20,6%)

Growth in operating expenses driven by:

- Investments in additional team members to fuel growth (+36 FTE on average in H1/23 vs H1/22).
- Costs related to transformation projects.
- Increased energy prices and increased travel spend.

EBIT



25M (+58,6%)

Strong EBIT margin reflecting:

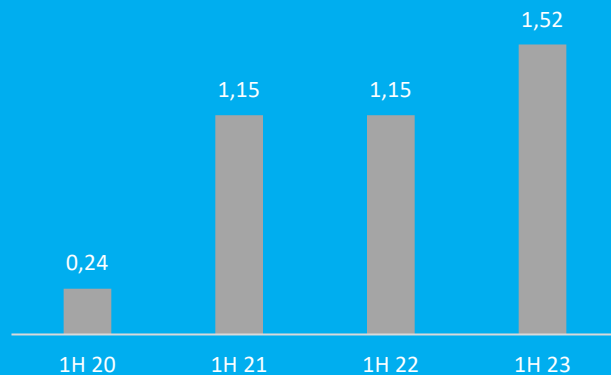
- Strong Revenue performance at 87,4Mio€, combined with;
- Strong gross margin performance at 70,1%.
- Relative control over operating expenses

1H 2023 Financial Health



Balance sheet remains strong

Fully Diluted EPS

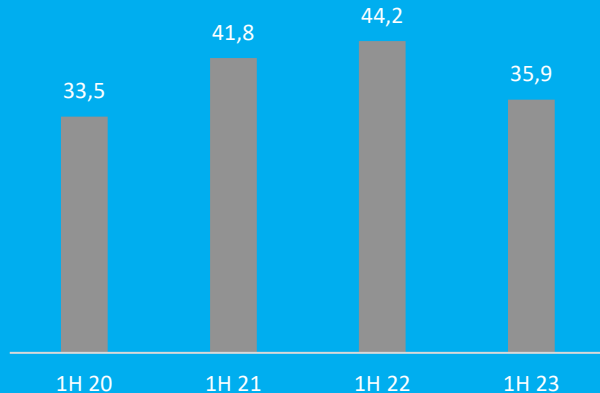


1,52 EUR (+32%)

Strong EPS performance following:

- Strong Revenue performance at 87,4Mio€.
- Strong gross margin performance at 70,1%.
- OPEX balanced and under control.

Net Cash Position*

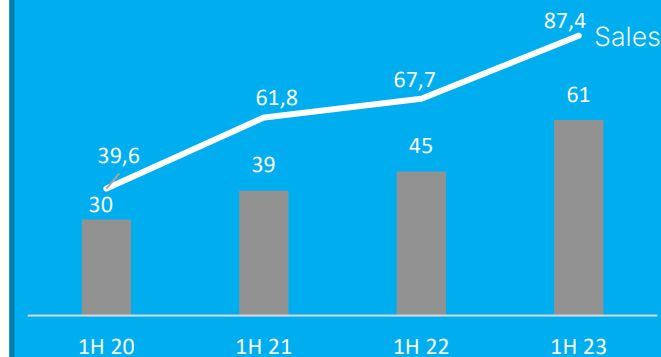


35,9M (-8,3M)

Decrease in net cash position driven by:

- Higher cash invested in working capital, mainly trade receivables in line with strong revenue increase.
- Exceptional additional dividend paid in May 2023 (final dividend of 14,8Mio€).

Trade Receivable



60,8M (+16,1M)

Trade receivables evolve in line with overall sales.

DSO returning to normalized levels following one-off impact in 4Q22 (delayed invoicing after ERP Go-Live).

54% of receivables are not due.

1H 2023 Intangible assets

Investments in line with budgeted spend and timeline



In 2022, EVS launched the internal development of 2 internal projects. Both projects evolve in line with projected timing and budget.

	2022 FY	2023 H1
IAS 38 – 2 projects	7,5M	2,9M

- The developments are followed on a regular basis internally, as to ensure progress and outcome are in line with the business plans.
- Costs are capitalized on the balance sheet.
- Announcement is foreseen at the IBC.

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FY 2023 Outlook and Guidance



Sustainable and profitable growth

- The **secured revenue** for 2023 is at **EUR 158,7 million** at the end of June, confirming our growth ambition for the year 2023.
- Based on the secured revenue at end of June 2023, the **revenue guidance** for the full year is upgraded from EUR 150 - 160 million to **EUR 160 - 170 million**. This upgrade assumes a normal final production cycle of the year, without any impact of shortage in components nor any important changes linked to the pricing of components.
- The **long-term order book** - beyond 2023 - is growing to EUR 61,7 million, an increase of EUR 5,8 million compared to the beginning of the year 2023. Orders signed in 2H23 are expected to largely contribute to the 2024 order book.
- The **gross margin** percentage is expected to be marginally negatively impacted in 2H23 compared to the results of 1H23, primarily a consequence of projected revenue versus existing costs.
- As a consequence of the upgrade in revenue guidance and the strong profit performance, the full year **EBIT guidance** is being upgraded from an initial range of EUR 27.5 - 32.5 million to a new range **of EUR 32.5 - 38.5 million**, clearly demonstrating our sustainable and profitable growth ambition.

FY 2023 Dividend proposal

Continuation of existing dividend policy



- EVS proposes an overall dividend for the year 2023 at EUR 1,10 per share*, consistent with the announcement made in 2022
- In November 2023, an interim dividend of EUR 0,55 per share will be distributed
- Remaining EUR 0,55 per share is scheduled for payment in May 2024*

* subject to market conditions and to the approval of the Ordinary General Meeting of shareholders

In € per share per fiscal year	2022	2023	2024
Base dividend	1,10	1,10	1,10
Exceptional additional dividend	0,50	0,00	0,00
Total dividend	1,60	1,10	1,10

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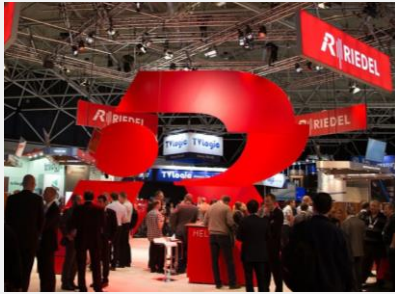


6 key learnings

Consistent with last years



The industry keeps on consolidating



Big tech provider are on the place



Infra is the cornerstone of big changes



Business models are shifting



Cloud is just one of the enablers



EVS is on a good track



Next focus



Key activities for 2023

- Deliver the large multi-years modernization projects that we have won
- Help our customers still using previous versions of XT replay servers to transition before the end of support.
- Leverage the new solutions to continue the increase of order book
- Continue to expand EVS solutions offering, organically, through acquisitions and strategic partnerships
- Confirm contracts, prepare and deliver 2024 major events
- Focus on cost control based on a “growth system”

Conclusions



Our objective to reach sustainable and profitable growth for 2023 becomes reality

- EVS PLAYForward **strategy** is generating the expected sustainable and profitable growth
- Limited further investments are planned in our **cost structure** and focus in 2023 will remain on cost control based on a “growth system”
- **Revenue guidance** for the year 2023 is increased towards **160 and 170 million EUR** revenues (versus 150-160 million EUR previously)
- **EBIT guidance** is consequently reviewed from an initial range of 27,5-32,5 million EUR to a new range of **32,5-38,5 million EUR**
- Targeted **dividend**, in line with policy in vigor, at 1.10EUR for year 2023 *

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

Questions & Answers





Thank you!

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