

# EVS Broadcast Equipment

## 2023 Full Year Results

*February 23rd, 2024*

*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.*

# Agenda



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

The content of this presentation is proprietary, confidential and solely for the use of the intended recipients. It may not be reproduced or distributed, in whole or in part, to any third party without the consent of EVS.

# Agenda

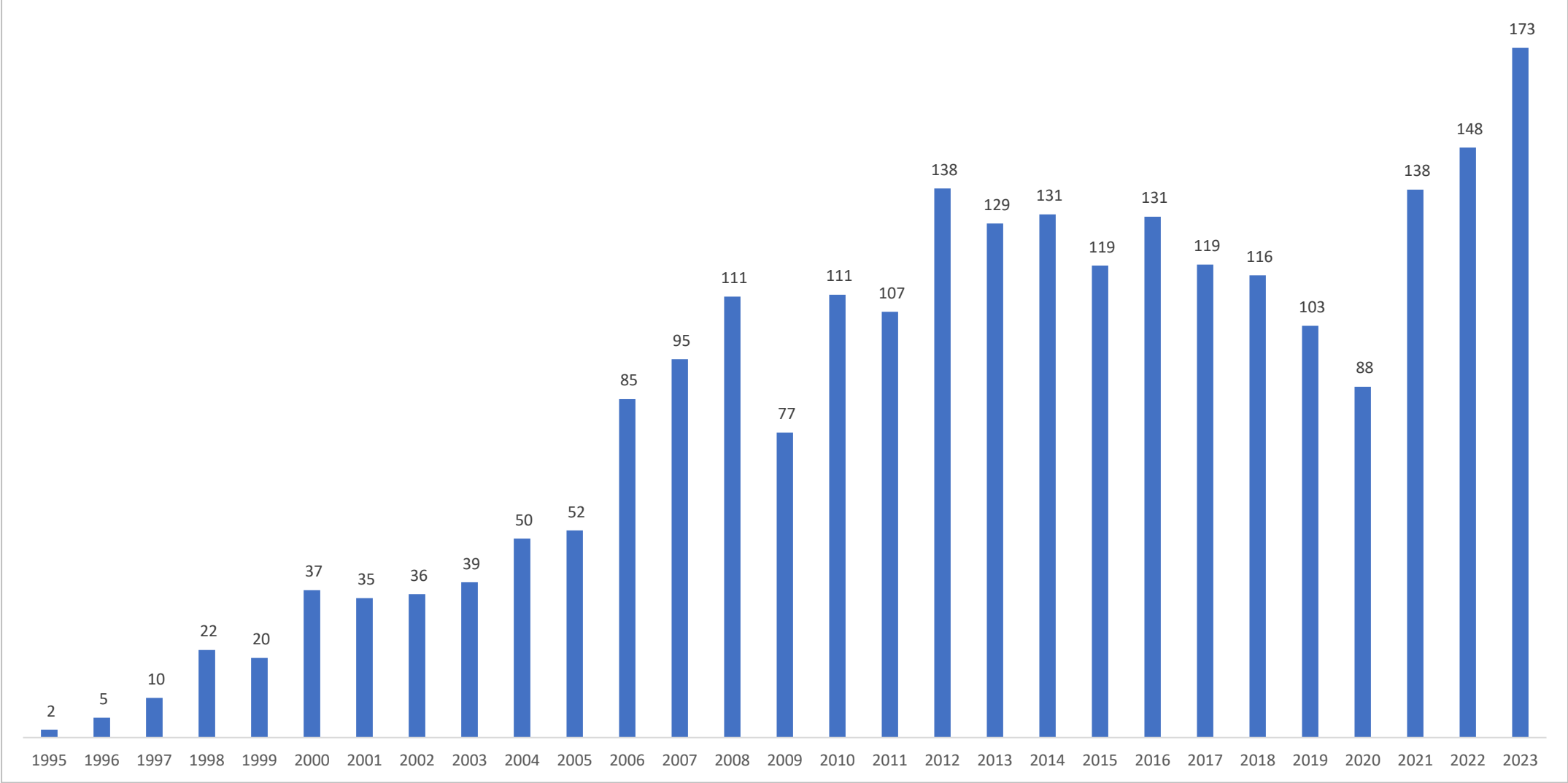


1. Business Update
2. Financial Update
3. Outlook
4. Conclusions
5. Questions & Answers

The content of this presentation is proprietary, confidential and solely for the use of the intended recipients. It may not be reproduced or distributed, in whole or in part, to any third party without the consent of EVS.



# 2023 results: profitable and sustainable growth confirmed



# 2023 FY corporate highlights

## On our way to our BHAG



### *Market & customers*

- + Growth of revenue and order book
- + EVS will be running Big Events 2024
- + Channels as key partners for a win-win growth
- + EVS confirmed as a trusted partner when certain competitors are divesting from broadcast
- + EVS towards an ecosystem, first steps through VIA MAP
- + Significant growth on LAB (Revenue & OI)
- + NPS continuously improving, even with very results

### *Technologies*

- + More and more AI based workflows, early AI investments paying off
- + Thought leadership about « Balanced computing », AI, carbon footprint, ESG
- + Continued investment in future growth

### *Corporate topics*

- + ESG as part of our DNA
- + Engagement survey confirms EVS as a great place to work
- + Axon acquisition confirms its success
- + Cost control disseminated as a practice
- + Team size increase enabling future growth

### *Shareholders*

- + Growth of revenue and order book
- + Capability to successfully execute M&A transactions demonstrated through Axon case
- + Strong EPS
- + Company valuation grew 30% in 2023

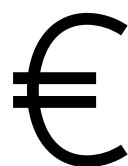
# Financial 2023 performance:

New revenue high accompanied by strong net profit



ORDER BOOK

153,2Mio€  
+12,9%



REVENUE

173,2Mio€  
+16,9%



NET PROFIT

36,9Mio€  
+17,9%



FTE

622FTE  
+1,5%



2030 TARGET

# OUR BHAG

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



**EV5**

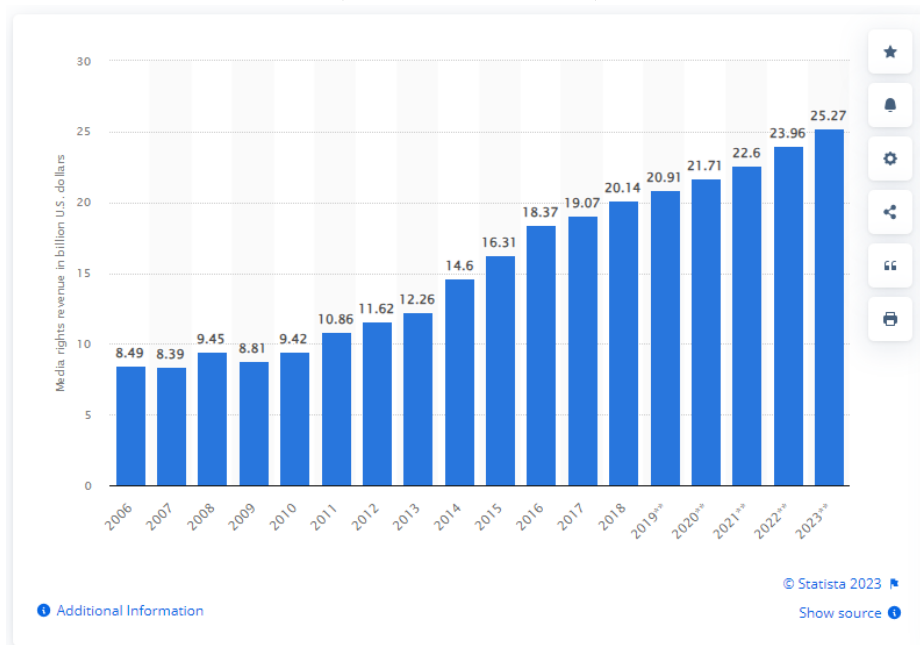


# Live content value keeps increasing



Whatever the business player,  
whatever the way audience brings value,  
(TV, Telco, BigTech)  
delivering the content  
the value of live content only increases!

Sports media rights market size in North America from 2006 to 2023  
(in billion U.S. dollars)



Following Big Tech investment in US sports rights, EVS won the "Big Tech contract 22":

- A 10 years 50MUSD+ agreement
- With a major US-based broadcast and media production company (LSP)
- Including CAPEX, a plan for further extensions and an SLA proving the confidence in the capabilities of EVS to deliver the right solutions in the next decade

The cost of production is a fraction of media rights and the rights holders want to avoid any risk!

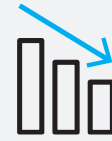
# Our answer to cloud is “Balanced computing”



Increase in **partial**  
Cloud deployments



SaaS & OPEX business  
models



Hype of cloud is over

# Corporate strategy



2015 —————> 2023 —————> 2028

From **replay** centric  
leading **products**  
in **premium** market

Optimized media  
leading **solutions**

**Live** production  
**ECOSYSTEM**  
in **multi-tier** markets



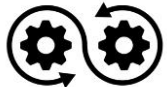
CAPEX only

More OPEX & On-demand



Mainly in OBVs

Growing in **broadcast centers**



EVS Hardware

+ EVS **Software**

+ EVS **SAAS**



Mainly sports

+ **Entertainment & news**

+ **Digital**

# Combining products to create an ecosystem



LiveCeption

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

- XTRAMOTION USED FOR MORE AND MORE EVENTS
- XT-VIA CONTINUES TO BE DEPLOYED EVERYWHERE IN THE WORLD
- LIVECEPTION CONTRACTED TO BE AT THE CORE OF 2024 MAJOR EVENTS WITH NEW WORKFLOWS AND OPTIONS
- SUCCESS OF XEEBRA/POWERSVISION THANKS TO LSPs AND CHANNELS



MediaCeption

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

- VIA MAP POSITIONING THE ECOSYSTEM BETWEEN LIVECEPTION & MEDIACEPTION, ANNOUNCED AT IBC
- NEW AI BASED WORKFLOWS PRESENTED AT IBC
- MORE AND MORE DEPLOYMENT IN DIFFERENT PARTS OF THE WORLD
- DOZENS OF MID-TIER EVENTS RUN BY MEDIAHUB SAAS



MediaInfra

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

- STRADA PROVEN TO BE THE ÉVOLUTIVE VIDEO ROUTING SOLUTION
- LARGE CONTRACTS DELIVERED IN NALA WHERE AXON WAS NOT PRESENT
- CEREBRUM DEFINITELY EVERYWHERE
- 20%+ GROWTH OF ORDER INTAKE

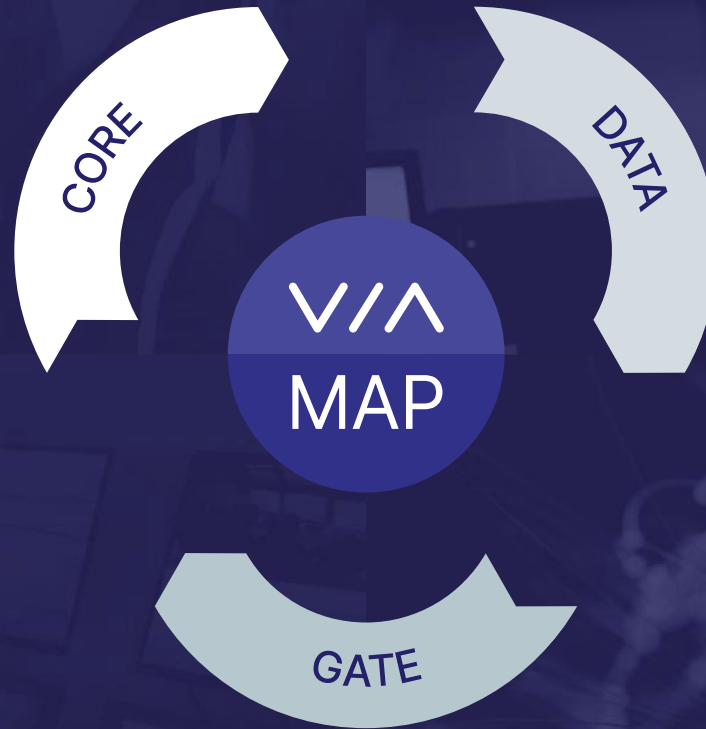




**Core Engine:** Smart ingest and  
playout, import and export,  
search/browse



**Data Engine:** Data generation  
and management, AI assistance  
and automation processes



**M**edia  
**A**sset  
**P**latform



**Gate Engine:** Range of API allowing  
the management and monetization  
through third-party solutions



# Towards an ecosystem



At IBC, EVS announced VIA Media Asset Platform (MAP), which enables cross-leveraging between LiveCeption & MediaCeption.

VIA MAP embraces more AI than ever in the workflows for seamless assisted and/or automated content tagging, selection, suggestion, search and editing.

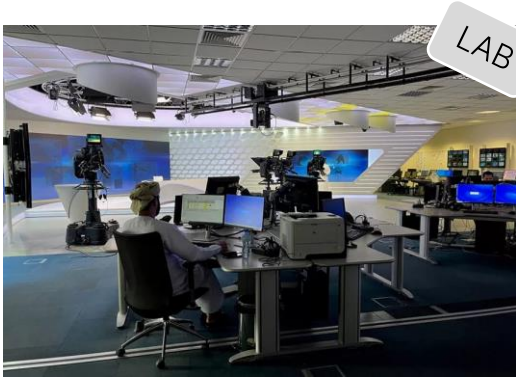
EVS builds an ecosystem where solutions are complementary.

In the future, the overall ecosystem will be enhanced through M&A and strategic partnerships.

# Several 2023 iconic contracts & initiatives confirming EVS as a trusted & innovating partner in broadcast transformation journey



## Contracts



MediaCeption  
Oman TV



Videocraft  
Australia



LiveCeption  
Cloudbass - UK

## Innovation ecosystem



Hosting of SportTech Belgium



Centralized 5G-based Production  
Live Theatres events distributed in schools

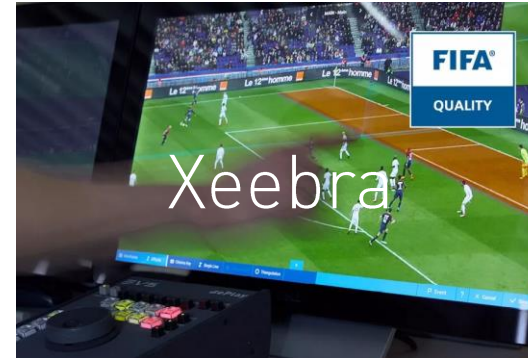
# EVS contributions to the industry & society again recognized through several 2023 awards



## *Product recognition*



NAB Best of Show



Certified by FIFA for VAR

## *Company recognition*



GOLDEN BRIDGE AWARD 2023  
TECH INNOVATION



CORPORATE STAR AWARD  
BEST ESG LEADER CATEGORY



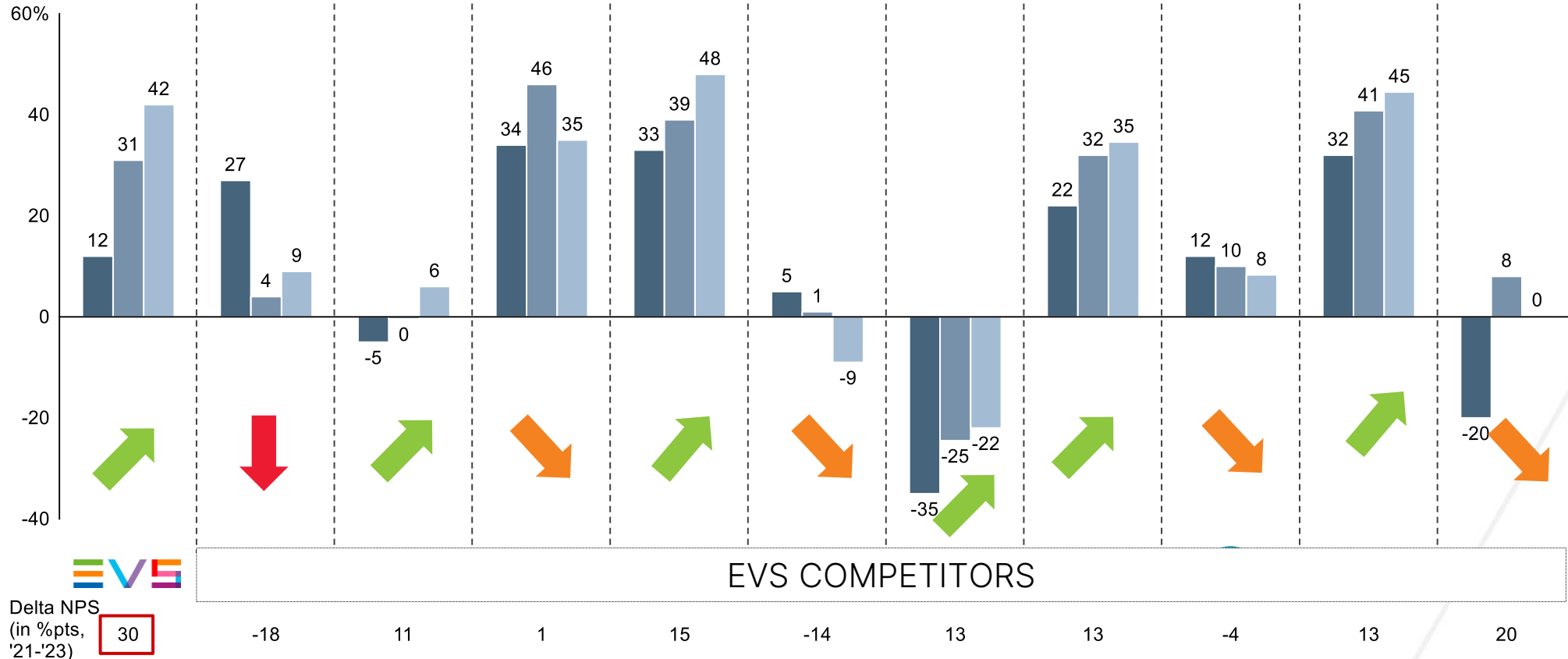
2024 AGAIN TOP EMPLOYER  
IN BELGIUM



# EVS Shows Largest NPS Growth Over Last 3 Years



Net Promoter Score (NPS) by competitor ('21-'23)



# 2023 successes confirms that AXON was:

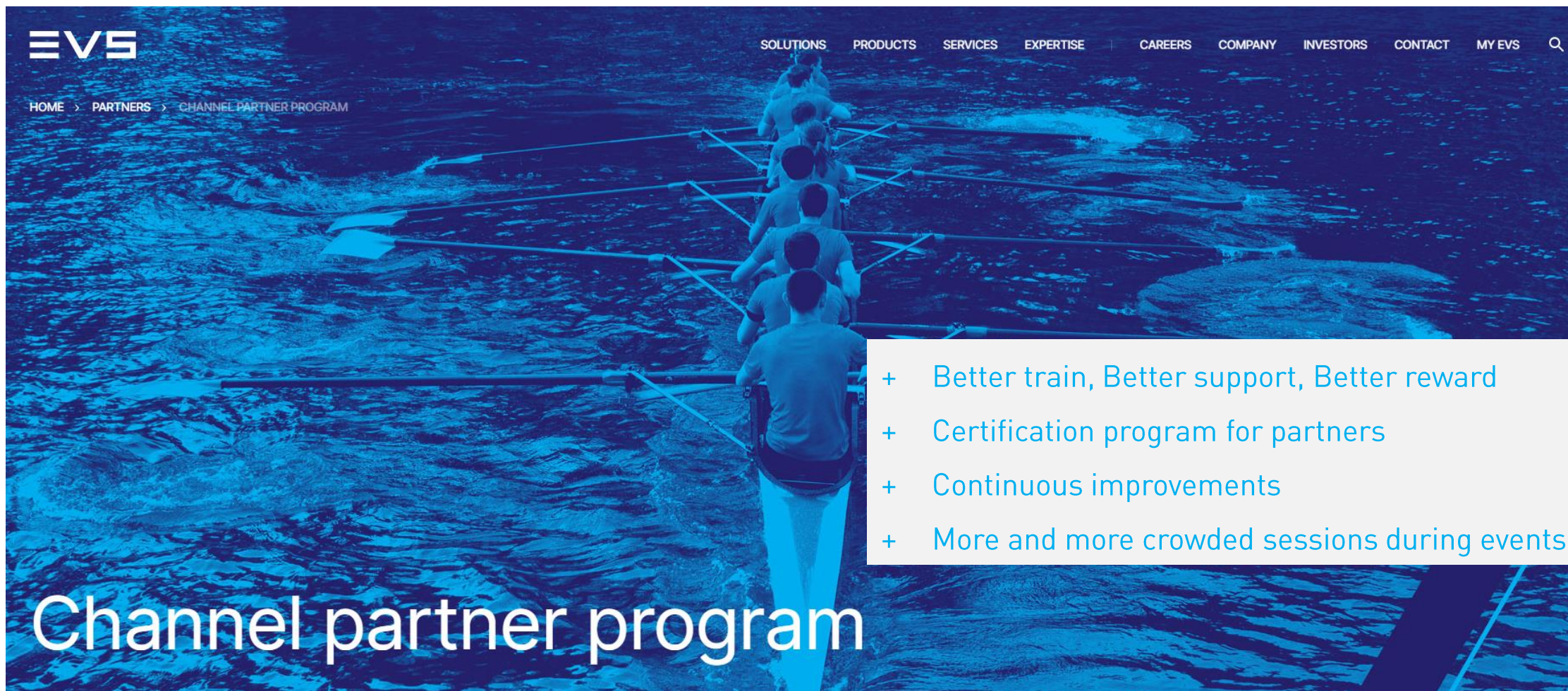
- a good acquisition
- successfully integrated

- Best revenues ever
- Higher contribution to EBIT
- Multi-million contracts
- Deployment in US
- MI inside the live workflows of big events

The EVS logo is displayed in large, white, three-dimensional block letters on a dark grey brick wall. The letters are stylized, with the 'E' and 'S' having horizontal bars that extend to the left and right respectively. The building itself is a modern, multi-story structure with a dark grey brick facade and numerous windows, some of which have red frames. The sky is blue with some light clouds.



The transition « from opportunistic to sustainable partnership » continues to bear fruits, especially in US, especially with Media Infrastructure

The image is a screenshot of the EVS website's 'Channel Partner Program' page. The background is a blue-tinted photograph of a rowing team in a boat on water. The page layout includes a top navigation bar with links for SOLUTIONS, PRODUCTS, SERVICES, EXPERTISE, CAREERS, COMPANY, INVESTORS, CONTACT, and MY EVS. 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.

**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
- + Continuous improvements
- + More and more crowded sessions during events

# Channel partner program



# Market conditions - Feedback

- Large attendance from EMEA clients and particularly increased attendance of Channel partners
- Industry is positive, loads of projects discussed, healthy pipeline
- MI and AI were the stars of the booth
- Balanced computing concept well accepted - Clients do not see a "cloud only" solution as beneficial



# MAIN RISKS



## Scarcity of electronic components & Salary

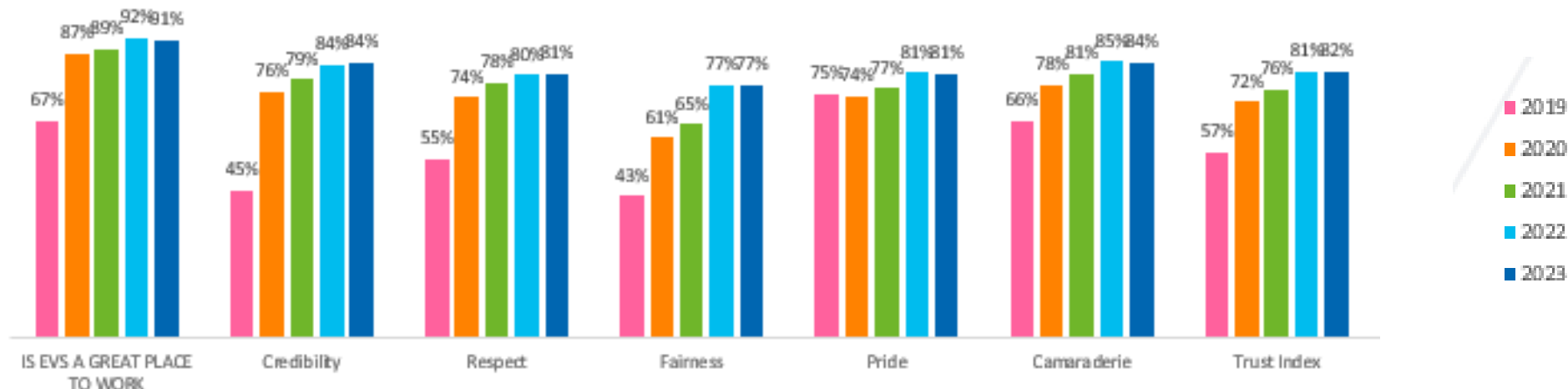


- EVS tightly manages the inventory of electronic components to ensure the delivery of the so-demanded EVS products & solutions with a decent delay after the order
- Geopolitical tensions do increase

- EVS closely follows inflation due to:
  - salary inflation
  - continued price increase of electronic components

# 2023 Engagement Survey

## Increase or stability in all dimensions



High Response Rate – 90% (+10%)

EVS is A Great Place To Work – 91%

Trust Index (5 dimensions) – 82% (+1%)





# Sustainable Value Creation



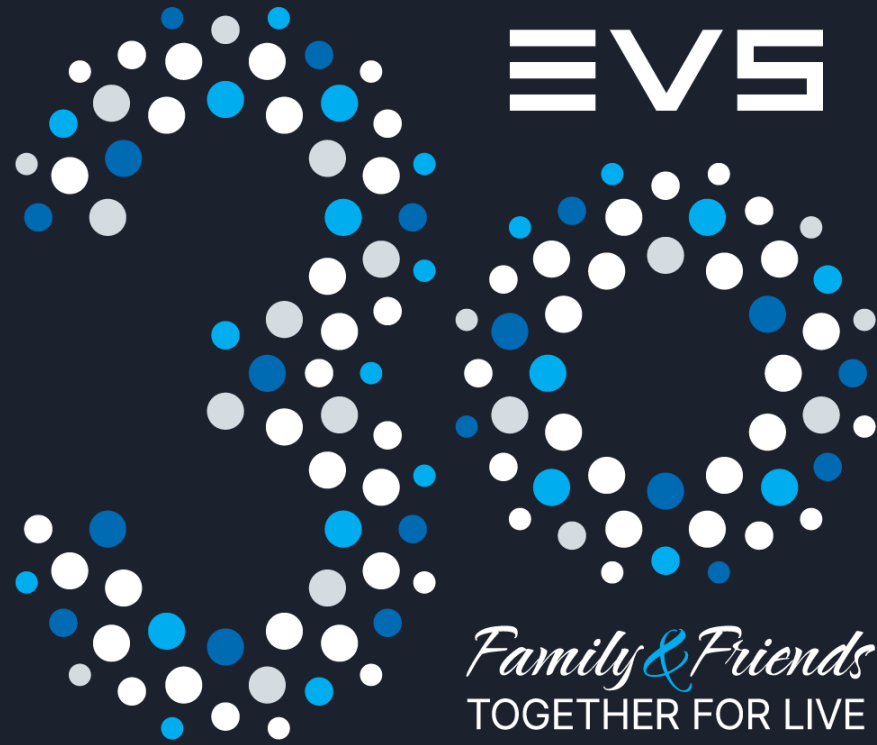
## Achievements 2023:

- New double materiality matrix defined (renewal every 2 years) with no major deviations compared to initial exercise
- Ambitions for 2023 have been defined
- Publishing of new sustainability report of 2023 ongoing
- Proven external recognition

## Focus items 2024:

- New carbon emission exercise
- Preparation of CSRD requirements
- Define and implement action plans as to reach the 2030 ambitions
- Renewed certification Ecovadis (done)





# Agenda



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

The content of this presentation is proprietary, confidential and solely for the use of the intended recipients. It may not be reproduced or distributed, in whole or in part, to any third party without the consent of EVS.

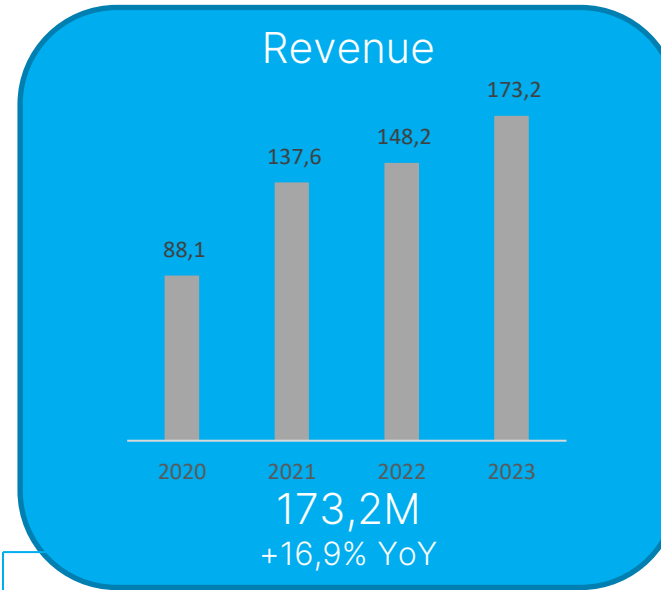
# FY23 | Topline performance



Strong order intake across all regions

Excluding Big Tech 2022, growth is of 14,1%

Order intake outpaces revenue, ensuring a continued fueling of the order book.



Growth despite absence of Big Event Rental revenue. Normalized for BER, the growth is of 35,0Mio€.

Balanced growth across the board and across all solutions.



Overall order book growing by 17,5Mio€

2024 secured sales at 100,4M (+16,9%).

Our visibility on future years is also increasing, with a secured sales for 2025 and beyond of 52,8M.

\* Note the 2022 Order book got restated in 2023 by 6Mio€ (migration ERP issues)

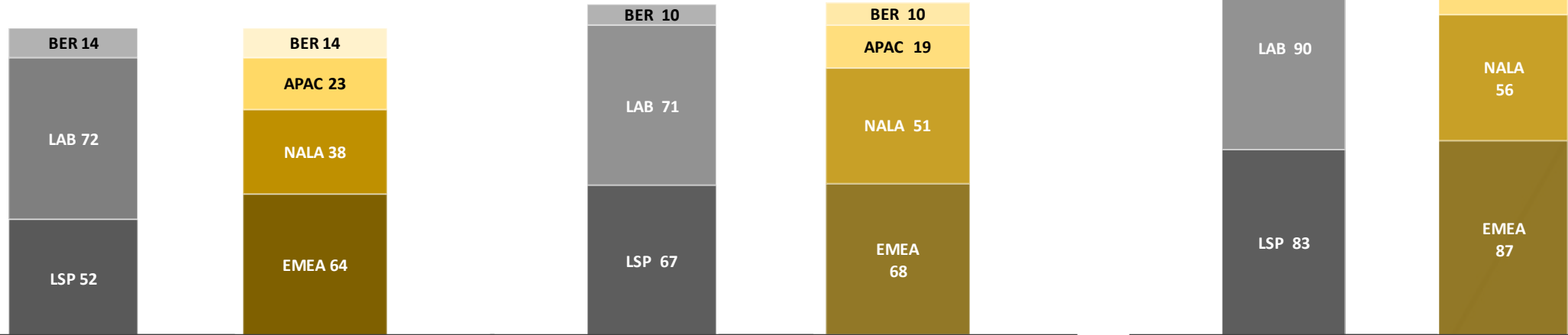
# FY23 | Revenue analysis



2021 : 137Mio€

2022 : 148Mio€

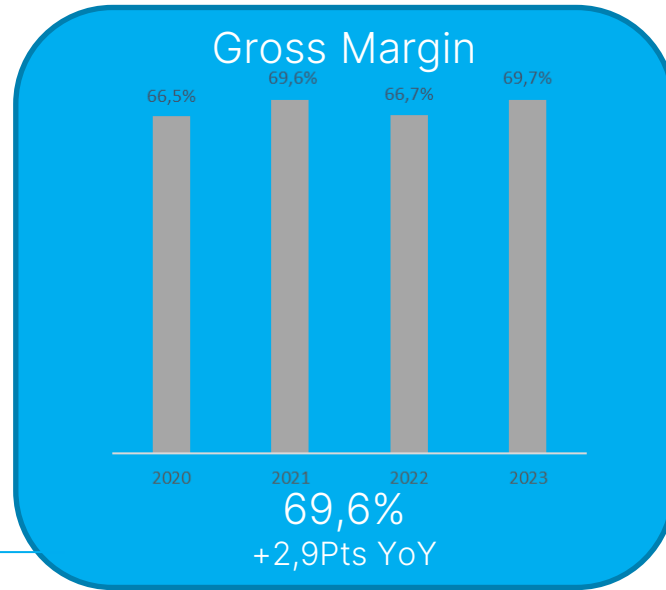
2023 : 173Mio€



## Proofpoints of our strategy in action:

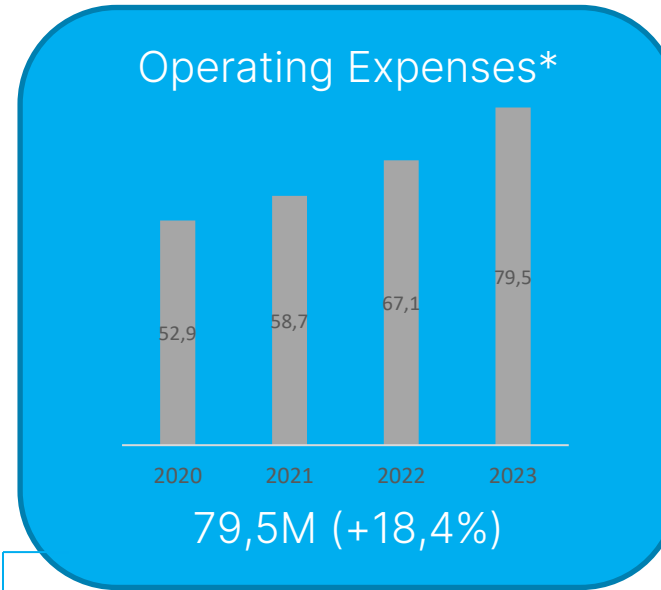
- ✓ Expanding our footprint with LAB customers (general broadcasters)  
From 71Mio€ to 90Mio€ in 2023
- ✓ Growing footprint of MediaInfrastructure  
Growing 26% compared to 2022
- ✓ Increasing our recurring services revenue  
Growing our SLA basis in 2023 by +30%

# FY23 | Profitability



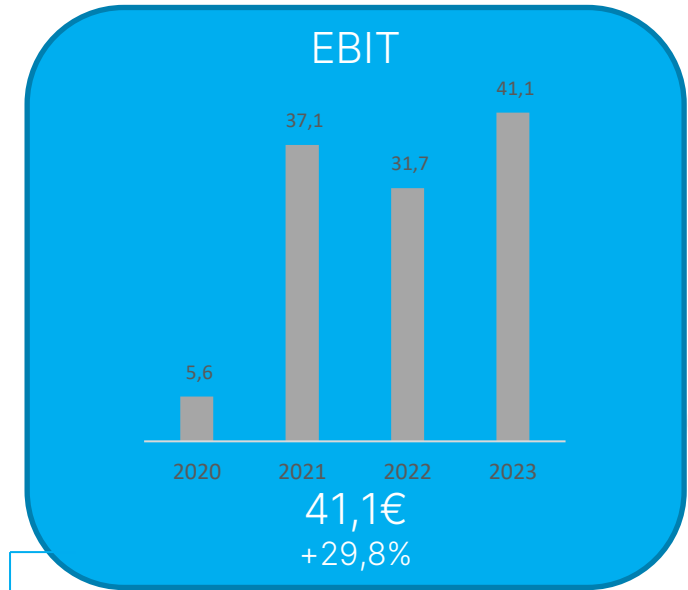
Elements influencing gross margin:

- +0,6Pts driven by profitability improvement of solutions supported by price increases
- +0,1Pts is driven by solution mix
- +2,2Pts driven by dilutive effect of operations cost compared to overall sales.



Controlled growth in operating expenses influenced by:

- Investments in additional team members to fuel growth (2H23)
- Inflation
- Macro-economic increases: electricity and travel
- One-off costs
- Start of depreciation of intangible assets in 4Q23

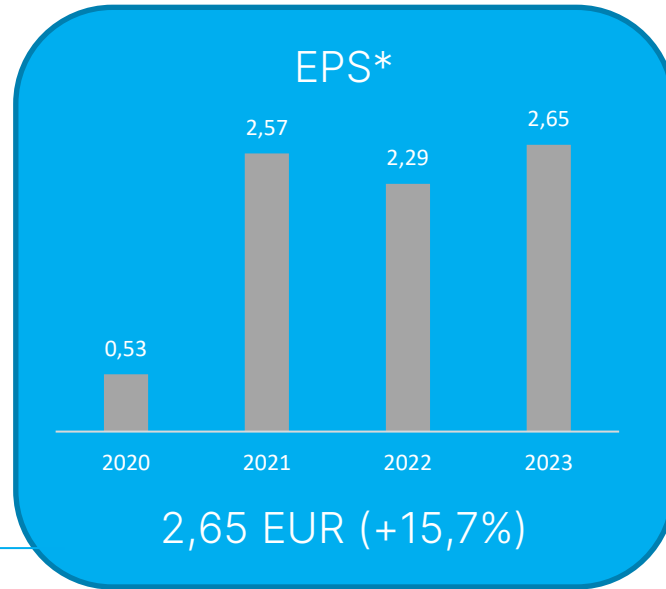


EBIT performance outgrowing revenue performance, thanks to sound profitability and controlled growth of expenses.

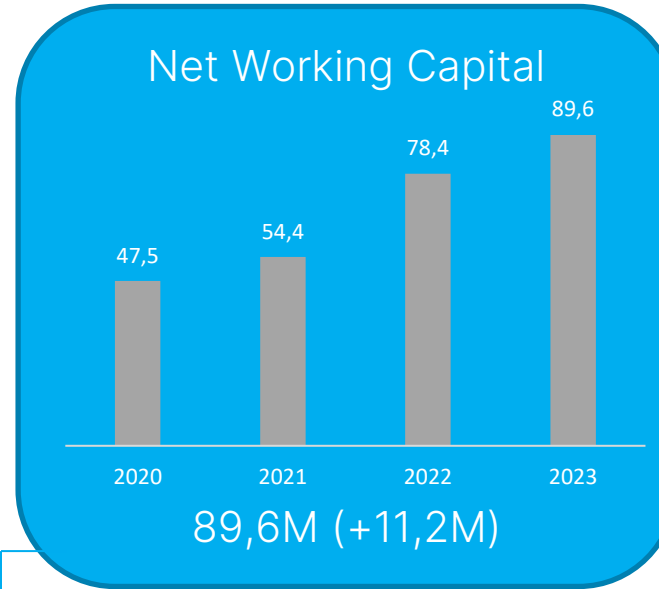
EBIT margin is 23,8%



# FY23 | Financial structure



Strong EPS performance as a consequence of the sustainable and profitable growth strategy.



NWC increased throughout 2023 following:

- Increase of trade receivables (+8 Mio€) mainly linked to higher revenue
- Increase of inventories (+4 Mio€) to support the growth of the activities

Working capital vs. sales ratio improves from 53% at year-end 2022 to 52% at the end of 2023



Increase of trade receivables reflective of:

- Higher revenue;
- One-off reclass to invoices to be issued, partially offset by;
- Reduction in other outstanding invoices receivables as a normalization of the delayed invoice issuance situation at the end of 2022 (following implementation of the new ERP)

# Intangible assets (IAS38)

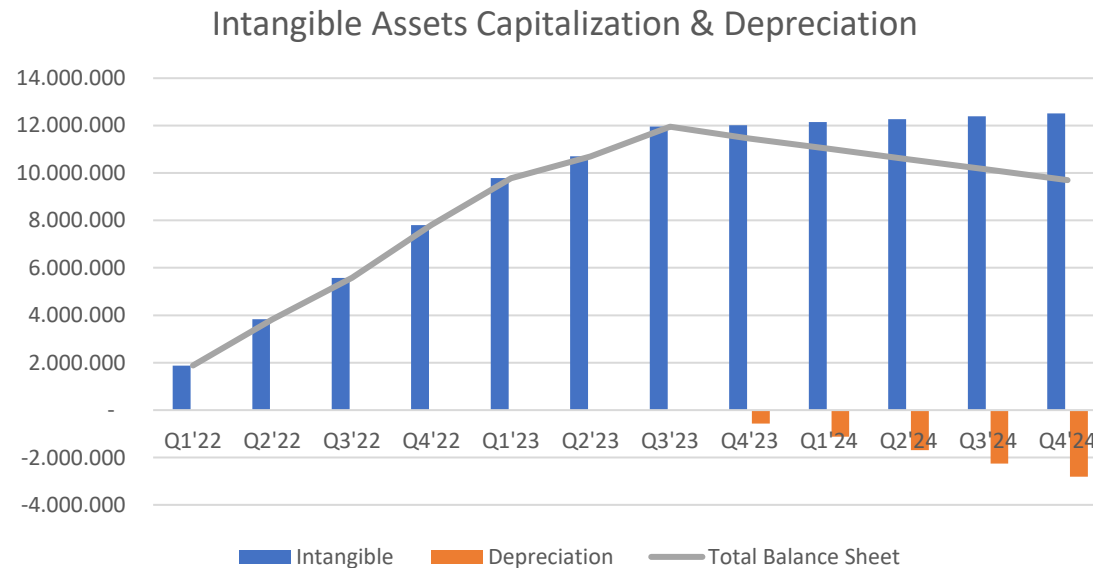


Total intangible assets created in 2022 & 2023 worth 12,2Mio€ (linked to 2 projects)

Announcement of VIA Map in September 2023 ended the creation of new intangible assets in 4Q23 and depreciation started. Quarterly depreciation is now scheduled over a 5-year period at 0,5Mio€ a quarter.

Second project is still in development mode and will still contribute to further intangible asset creation (impact is minor on the overall capitalization – approx. 0,5Mio€ for FY24)

Further projects are being analyzed for 2024.



# Agenda



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

The content of this presentation is proprietary, confidential and solely for the use of the intended recipients. It may not be reproduced or distributed, in whole or in part, to any third party without the consent of EVS.

# Outlook & guidance 2024

---

## 2024 financial outlook

- The important order intake of 2023 has considerably fueled the order book to be delivered in future periods. The total order book at the end of 2023 is of EUR 153.2 million, growing 12.9% compared to the same period last year.
  - The order book reserved for 2024 is estimated at EUR 100.4 million, growing 16.9% compared to beginning of the year 2023.
  - Out of this number, EUR 7.4 million is reserved for Big Event Rentals. Post closing, we secured additional Big Event Rental contracts.
- Based on the order book and current market dynamics, the revenue guidance for the year 2024 is set at EUR 180-195 million.
- Controlled increase in number of team members planned in order to support further growth.
- We expect to pay out dividends in 2024 in line with our dividend policy, namely a base dividend per share of EUR 1.10.



# Dividend proposal

- EVS proposes an overall dividend for the year 2023 at EUR 1,10 per share\*.  
This proposal is in line with the dividend policy issued early 2022 for the years 2022-2024.

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
<b>Total dividend</b>	<b>1,60</b>	<b>1,10</b>	<b>1,10</b>

- In November 2023, an interim dividend of EUR 0,50 per share was distributed
- Remaining EUR 0,60 per share is scheduled for payment in May 2024\*,\*\*

\* subject to market conditions

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

# Agenda



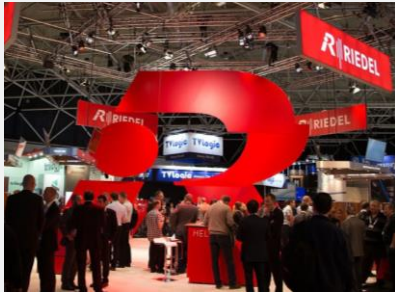
1. Business Update
2. Financial Update
3. Outlook
4. Conclusions
5. Questions & Answers

The content of this presentation is proprietary, confidential and solely for the use of the intended recipients. It may not be reproduced or distributed, in whole or in part, to any third party without the consent of EVS.

# 6 KEY LEARNINGS



The industry keeps on consolidating



Big tech providers 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



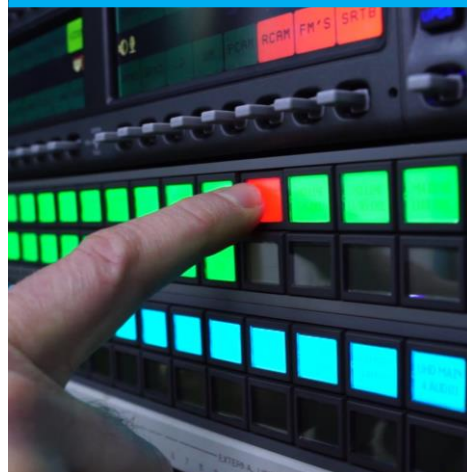
# NEXT FOCUS - KEY ACTIVITIES FOR 2024



Consolidate  
Leadership On  
LiveCption



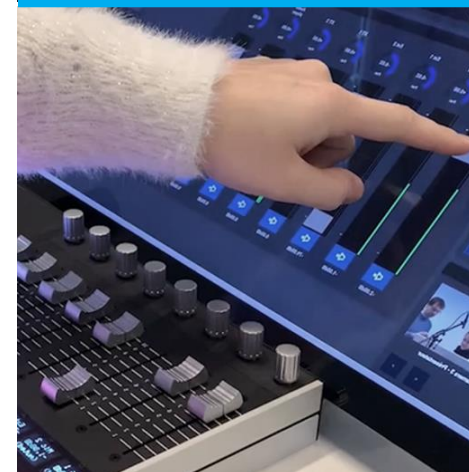
Further Grow in  
MediaCption &  
MediaInfra



Double Down in  
North America



Selectively  
Develop  
Adjacencies





# CONCLUSION



- EVS PLAYForward strategy is definitely bearing fruits: we start to see tangible proof points that our strategy is working.
- For 2024, we expect controlled investments in our cost structure as to fuel projected growth, though our focus on profitability will remain important throughout 2024.
- Revenue guidance for the year 2024 is between 180 and 195 million EUR revenues
- Targeted dividend at 1.10EUR for year 2023 \*\*

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

- Mind update in the corporate calendar. The 1H24 results announcement has been advanced to August 13<sup>th</sup> to allow a call on August 14<sup>th</sup>.

# Questions & Answers



# Thank you!

→ [evs.com](https://evs.com)

in

f

