



2024 Half-Year results

Corporate communication

August 14th, 2024

→ [evs.com](https://www.evs.com)



Disclaimer

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Agenda



1. Business Update
2. M&A transactions
3. Market update
4. Financial Update
5. Outlook
6. Conclusions
7. Questions & Answers

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2024 HY corporate highlights

Progress on our PLAYForward strategy



Market & customers

- Strong order book and pipeline
- EMEA & NALA regions & LAB market pillar driving revenue growth
- Successful major summer big events

Technologies

- AI for broadcast specific enhancements
- Thought leadership about « Balanced computing », security, deployment in private cloud environments
- The right mix between HW and SW

Corporate topics

- Strengthened commercial organisation to capture future growth
- Focus on North America – further strengthening the team
- 2 M&A transactions: MOG Technologies acquisition & TinkerList investment

Shareholders

- Increased revenue and EBIT guidance
- Continuously driving EPS growth
- « Investor day » planned in 4Q 2024

1H 2024 Financial Highlights

Strong financial performance underpinning the continued growth trajectory



ORDER BOOK

141.7Mio€
(1H23: 132.7Mio€)

+6.8%



REVENUE

98.1Mio€
(1H23: 87.4Mio€)

+12.2%
+7.2% normalized for BER



EBIT

23.8Mio€
(1H23: 25.0Mio€)

-4.4%



NET PROFIT

21.8Mio€
(1H23: 21.2Mio€)

+2.8%



TEAM MEMBERS

642FTE
(1H23: 607FTE)

+35FTE

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EVS Acquires MOG Technologies



Company

- Founded in 2002, in Porto
- 47 team members (mostly based in Portugal)
- Revenue 2023 < 4MEUR
- 8000 systems deployed worldwide (including well-known broadcasters in the industry)
- Expertise in video and media technology (leading role in MXF video file format)
- SW and cloud-based products focused on recording, transcoding, streaming and OTT white label platform, optimized for digital media beyond pure broadcast
- On-prem CAPEX and SaaS business model

Transaction

- Full acquisition: < 5MEUR (incl. earn-out)
- Closing scheduled early Q4 - pending on 3rd-party confirmations

Strategic Intent

- Strengthen **MediaCeption®** and **MediaHub®** solutions with new SW solution components, especially for digital and cloud components
- Leverage technical expertise to accelerate enhancements of VIA MAP®
- Increase product offering for EVS Channel Partners
- Potential to hire Portuguese R&D talent in the future

EVS Becomes Shareholder of TinkerList



Company

- Scale-up founded in 2014 by Erik Hauters and Vero Vanden Abeele
- Based in Leuven, Belgium
- 24 persons globally
- >1MEUR recurring revenue in 2023
- Mainly European presence (top references with high customer satisfaction)
- Deep understanding of media production workflows (from preparation to archive)
- Products aimed to ensure consistency between preparation and live production to leverage efficient and consistent media production automation workflows
- SaaS business model

Transaction

- Important minority stake by EVS for a total investment of less than 3MEUR (including a capital increase and a convertible loan)

Strategic Intent

- Support growth of TinkerList through EVS worldwide presence
- Embed TinkerList products as options inside EVS Flexible Control Room and **MediaCeption®** solutions
- Provide TinkerList with full autonomy to apply SaaS compliant go-to-market strategy for media production (beyond pure broadcast)

The logo for TinkerList, with 'TINKER' in black and 'LIST' in red, both in a bold, sans-serif font. The 'i' in 'TINKER' has a red dot, and the 'i' in 'LIST' has a black dot.

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**

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2030 TARGET

OUR BHAG

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



EVS

Combining products to create the perfect solutions



LiveCeption

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

- LIVECEPTION AT THE CORE OF MAJOR SUMMER EVENTS
- LIVECEPTION SIGNATURE REMAINS THE REFERENCE IN TERMS OF WORKFLOWS FOR PREMIUM PRODUCTIONS
- XTRAMOTION SPREADING FOR MAJOR LEAGUES IN US. MORE AI SERVICES OFFERED ON TOP OF XTRAMOTION



MediaCeption

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

- VIA-MAP READY FOR DEPLOYMENT, LIAISING WITH LIVECEPTION TO BUILD THE ECOSYSTEM
- MARKET TRACTION REFLECTED IN RECORD HIGH LAB ORDER REVENUE
- MEDIACEPTION AND MEDIAHUB AS KEY COMPONENTS FOR MAJOR SUMMER EVENTS SUCCESS



MediaInfra

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

- STRADA EVOLUTIVE ROUTING SOLUTION IN OPERATION BY MORE AND MORE CUSTOMERS
- SUCCESS AND HIGH MARKET TRACTION FOR NEURON VIEW STRENGTHENING NEURON ECOSYSTEM
- CEREBRUM MANAGEMENT AND CONTROL SOLUTION GAINING MARKET TRACTION AND MARKET SHARE
- FLEXIBLE CONTROL ROOM SOLUTION MARKET TRACTION
- MEDIAINFRA USED TO ROUTE AND DELIVER LIVE VIDEO FLOWS DURING MAJOR SUMMER EVENT

BIG EVENTS 2024

Powered by EVS



SUCCESSFUL MAJOR SUMMER BIG EVENTS

We work with EVS for more than 15 years. To our knowledge, it's the only company able to deliver such services.

*France TV**

At the Olympics, EVS is everywhere, but invisible.

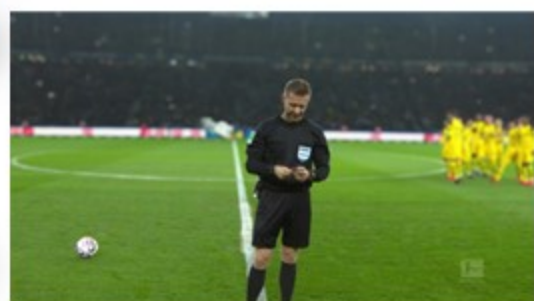
*France TV**

*Quotes extracted & translated from
L'Echo – Aug 9th, 2024 – JF Sacré

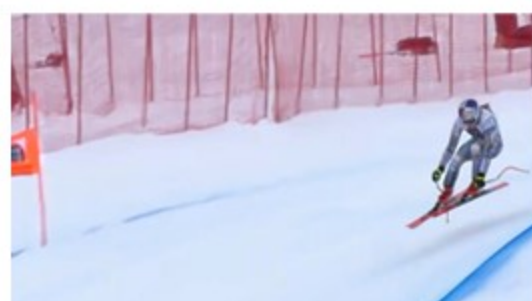
EVS has developed broadcast specific **near realtime** generative AI to improve image quality at affordable costs



XtraMotion to replace Super-slowmotion cameras



Cinematic effects to replace Lenses with shallow DoF



Deblurring to Maximize image sharpness

16/9 to 9/16 for social media



Saliency tracking to directly publish on 9x16 social networks



Auto-Zoom to replace painful manual key frame detection

EVS has developed a set of near real-time graphical effect based on own generative AI computer vision expertise.

Thanks to these effects accessible from any broadcast camera, LSPs don't have to rent special cameras, redirecting a part of the production budget towards EVS.

And much more being cooked!

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** and **"LAB others"** customers



Several 2024 important contracts confirming EVS as a trusted & innovating partner in broadcast transformation journey



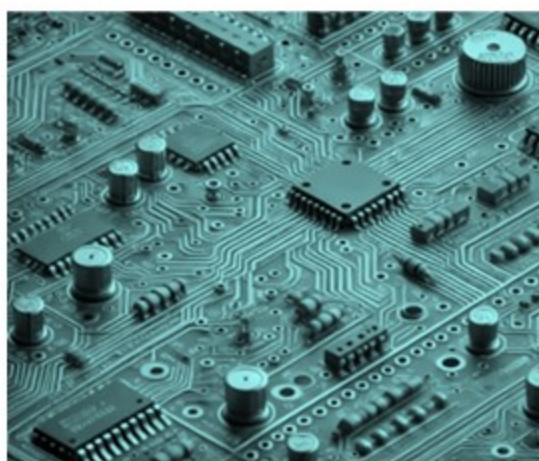
LiveCeption
Alkas - Qatar



MediaInfra
LMG - US

Economical and geopolitical risks

Continuously monitoring the situation



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.

Potential impacts of upcoming North America elections and its impacts on global geopolitical situation

Potential risks linked to UK LSP market restructuring

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



Sustainable Value Creation



**ESG Risk
Rating**

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)

EVS strengthens Leadership Team to drive profitable and sustainable growth



Veerle De Wit
Chief Financial Officer



Serge Van Herck
Chief Executive Officer



Nicolas Bourdon
Chief Customer Officer



Quentin Grutman
Chief Strategic Accounts Officer



Xavier Orri
Chief eXperience Officer



Pierre Matelart
Chief People Officer



Alex Redfern
Chief Technology Officer



Oscar Teran
EVP Markets & Solutions



EVS

Family & Friends
TOGETHER FOR LIVE

EVS house in Paris to celebrate 30 years anniversary with « Family & Friends »



Broadcast engineers
@ customers



Board of Directors &
Shareholders



EVS operators



New family & New friends



Press



Team members

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1H 2024 Topline Performance



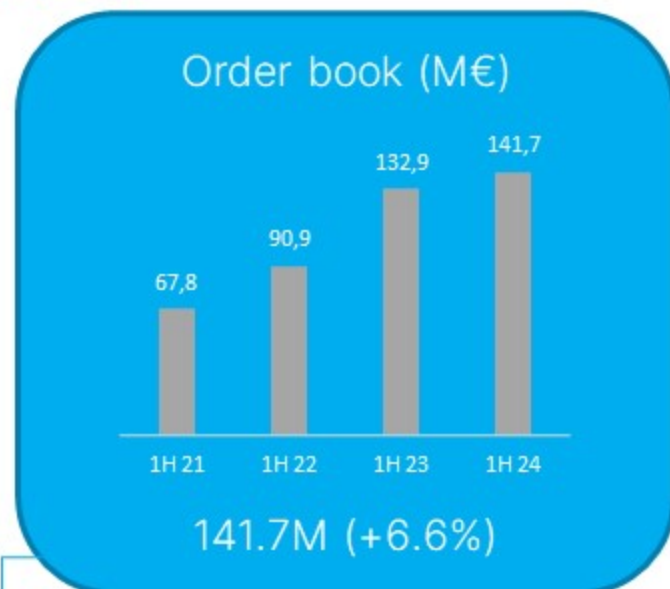
Strong topline performance demonstrating our continuous growth path



- OI ends at 87.0Mio€, including 7.8Mio€ BER, growing 7.1% YoY.
- Excluding BER, we note a decline of 3.5%.
- Pipeline funnel growing by 44% compared to 1H23, supporting growth of OI on a FY basis.



- New record for a 1st semester, with revenue at 98.1Mio€ (+12.2% YoY) including 4.5Mio€ of BER.
- Growth excluding BER is at 7.2%



- Overall order book is growing by 6.6%.
- The long-term order book - beyond 2024 - is growing to 67.6Mio€, an increase of 14.9Mio€ compared to the beginning of the year 2024.
- The secured revenue for 2024 is at 172.2Mio€ at the end of June.

1H 2024 Revenue Analysis

Strong performance with sound spread by market pillar and region

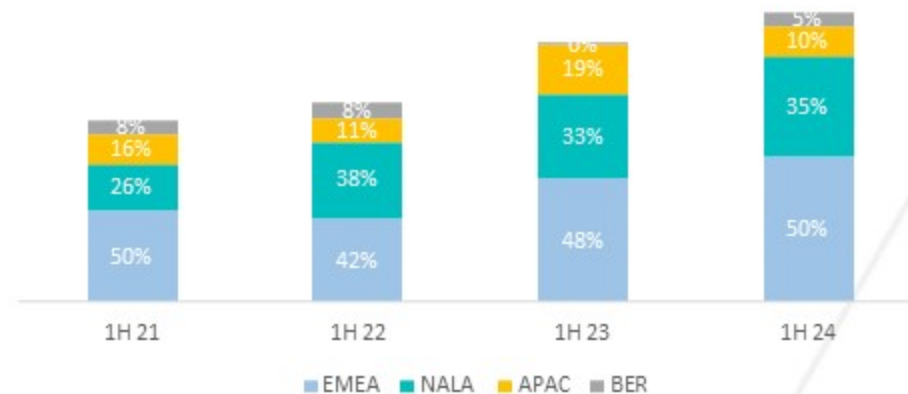


Evolution Revenue by Pillar



- Growth YoY in LAB Market Pillar is testimony of the success of our strategy to increase our activity in this market.
- 5% of our 1H revenue was generated by Big Event Rental (BER).

Geographical split



- Strong growth in two of our main markets, EMEA & NALA, which continue to drive our overall business expansion.
- APAC on track to show a growth trend at year end, following strong order intake results post 1H closing.

1H 2024 Profitability



Profitability supported by strong revenue and margin performance



Consolidated gross margin @ 71.9% for 1H24, compared to 70.7%* in 1H23. The increase is driven by:

- Reclassification of some internal assets from inventory (cost of BOM) to other tangible assets (depreciation)
- Overall improvement in our BOM cost reflecting the increased software components in our solutions.



Growth in operating expenses is driven by:

- Additional resources (+42FTE average)
- Depreciation of internally developed intangible assets.
- Additional expenses required to support the major 2024 Big Events and ensure their success.



1H24 EBIT margin remains strong at 24.3%, compared to 28.5% in 1H23:

- The strong revenue performance is coming with an increased cost base as a result of the hirings done over the past 9 months.

1H 2024 Financial Health



Balance sheet remains strong, with strong cash position



Strong EPS performance following:

- Strong Revenue performance at 98.1Mio€.
- Solid gross margin at 71.9%.
- OPEX balanced and under control.
- Strong financial result



Increase in net cash position driven by:

- Strong cash-flow from operations.
- Regular final dividend paid of 0.6 EUR per share in May 2024, compared to 1.1 EUR paid in May 2023 (which included exceptional additional dividend of 0.5 EUR).



Trade receivables evolve in line with overall sales.

Significant improvement of aging structure at the end of Q2'24:

- 66% of receivables are not due
- Less than 10% are overdue by more than 90 days

1H 2024 Intangible assets



Past investments gaining traction in the market & new investment launched in 1H24

In 2022, EVS launched the internal development of 2 internal projects

Project 1: VIA-Map

- Completed its development phase in Q4 23, at which point in time depreciation started. Developments continue in a business as usual mode.
- Official market launch done in July 2024.
- First customers operationally ready over summer 2024
- Significant pipeline, with some key strategic win opportunities identified

Project 2:

- Continuous development with expected launch date in 2026

New project launched in 1H24:

- Project linked to evolution of technology foundations balancing HW with SW capabilities
- Overall spend of 5.9Mio€ foreseen over 3 years
- Launch date targeted in 2027

	2022 FY	2023 FY	2024 1H
IAS 38 Capitalization	7.5M	7.8M	0.5M

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FY 2024 Outlook and Guidance



Sustainable and profitable growth

- The **secured revenue** for 2024 is at **EUR 172.2 million** at the end of June, providing a solid base to confirm our growth ambition for the year 2024.
- Based on the secured revenue at end of June 2024, the **revenue guidance** for the full year is upgraded from EUR 180 - 195 million to **EUR 190 - 200 million**.
- The **long-term order book** - beyond 2024 - is growing to EUR 67.6 million, an increase of EUR 14.9 million compared to the beginning of the year 2024. Orders signed in 2H24 are expected to largely contribute to the 2025 order book.
- 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 38 - 45 million to a new range of **EUR 40 - 46 million**.

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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 market shares continuously increasing



Next focus



Key activities for 2024/H2

- Deliver the large multi-years modernization projects that we have won
- Continued focus on NALA, new LAB customers and channel partners
- Leverage the new solutions to continue the increase of order book
- Closing & Integration of MOG Technologies
- Continue to expand EVS solutions offering, organically, through acquisitions and strategic partnerships
- Focus on cost control based on a “growth system”

Conclusions



Our objective to reach sustainable and profitable growth for 2024 becomes reality

- EVS PLAYForward **strategy** is generating the expected sustainable and profitable growth
- Two M&A transactions announced on Aug 2nd will support our future growth ambitions
- Limited further investments are planned in our **cost structure** and focus in 2024 will remain on cost control based on a “growth system”
- **Revenue guidance** for the year 2024 is increased towards **190 and 200 million EUR** revenue (versus 180-195 million EUR previously)
- **EBIT guidance** is consequently refined and increased from an initial range of 38-45 million EUR to a new range of **40-46 million EUR**
- Targeted **dividend**, in line with policy in vigor, at 1.10EUR for year 2024 *

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

Questions & Answers





Thank you!

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