



EVS Q3 2024 business update

Reaffirming growth expectations for 2024, setting a new revenue high for EVS, while actively building the future

> Liège, Belgium | November 14th, 2024

EVS' financial results are firming up in line with expectations. While the final weeks of production and deliveries are being planned, we primarily focus on building the future. Order intake for the fourth quarter looks promising, ensuring a kick start in 2025. We have significant commercial opportunities in the pipeline, which are bound to play a substantial role in our future success and contribute to overall order intake.

Highlights

- Revenue performance continues to demonstrate strong growth, supported by the successful completion of major summer sporting events.
- The secured revenue* allows EVS to confirm the higher-end range of the existing revenue guidance (EUR 190 - 200 million).
- Gross margin levels continue to improve and operational expenses remain under control, demonstrating our objective to realize a profitable growth in 2024.
- In line with the revenue guidance, EVS reconfirms also the higher-end range of the existing EBIT guidance (EUR 40 - 46 million).

*secured revenue includes the already recognized revenue as well as open orders on hand that will be recognized as revenue in 2024

Comments

Serge Van Herck, CEO, comments:

"I am pleased to share our third-quarter results and provide an update on EVS's performance and outlook. As we enter the final quarter of the year, I am proud to report that we are on track to achieve full-year revenue and profit at the higher end range of our guidance, setting a new revenue all-time high for EVS. Our dedication to innovation and customer satisfaction remains central to our strategy, and this was strongly affirmed at the recent IBC event in Amsterdam. We received exceptionally positive feedback not only on our solutions like Mediaception VIA MAP and our LiveCeption GenAI-powered live video effects, such as XtraMotion, but also on our recent acquisition of MOG Technologies and our minority investment in Tinkerlist. Both of these moves are set to further enhance our MediaCeption and VIA MAP offerings, solidifying our position in the market. Additionally, our new MediaInfrastructure Neuron Multiviewer solution has been very well received by customers and has begun shipping to various clients worldwide, marking another significant step in delivering state-of-the-art solutions to broadcast and media companies around the world.

Our customer Net Promoter Score (NPS) continues to rise for the fourth consecutive year, as shown in the recent survey conducted by Devoncroft, placing us consistently in the top 20% of best-performing companies and highlighting our customers' increasing satisfaction. This achievement reflects the dedication of our team, as evidenced by our annual team member engagement survey, which underscores their strong commitment to our company's mission and values.



We are equally delighted with our Environmental, Social, and Governance (ESG) progress. We have received the ESG Corporate Star Award for “Best Campaign to Improve Health and Mental Well-being” at the IBC. This recognition celebrates EVS’s commitment to fostering a healthier work environment and supporting the well-being of its team members. This award underscores EVS’s ongoing efforts to prioritize the mental and physical health of its team members as a core aspect of its ESG strategy.

While we remain optimistic about our company’s trajectory, we must remain cautious amid global uncertainties. The ongoing conflicts in Ukraine and Gaza pose potential risks to the Western economy, which could, in turn, affect our industry. We continue to monitor closely our supply chain, as we observe that prices for certain components are rising faster than inflation.

We remain committed to delivering value to our customers and stakeholders, with a continued focus on innovation, customer satisfaction, and sustainable, profitable growth.”

Commenting on the results and the outlook, Veerle De Wit, CFO, said:

“2024 is confirmed to become another year of profitable growth. Our revenue performance is secured in orders and the planning of the production for the year is close to final. The numbers are hinting to an achievement towards the higher-end range of the revenue guidance. Final revenue recognition for the year will depend on some pre-shipment conditions (such as pre-payments).

From a profit point of view we continue to deliver strong results. Our gross profit margin continues to improve as per designed. For some quarters in a row, we demonstrate that we control the evolution of our bill of material and are capable of mirroring the impacts into our sales prices. From a spending perspective, we see a slow down in our hiring needs and we continue our control on our overall operating expenditures.

As a consequence of the above, we also confirm our EBIT guidance range (between 40 and 46 Mio€). This range again demonstrates our ability to realize profitable growth in 2024. In line with our revenue guidance, we see the EBIT guidance firming up towards the higher end of the range.

Besides a convincing income statement, we continue to benefit from a strong balance sheet. Our net cash position is very solid and we continue to see low debt levels. All our metrics are progressing well compared to the year end of 2023. We mainly note positive impacts on our working capital following lower receivables and less inventory needs.

In the fourth quarter we will primarily focus on building 2025. We see an important pipeline in front of us, with some large deals demonstrating strong potential. The overall pipeline supports a growth in our full year order intake, allowing us to start the year 2025 with a solid backorder.

Furthermore, we are working on the integration of our recent acquisition in Portugal – MOG Technologies. From an income statement perspective, we expect a contribution round and about EUR 0.5 - 1.0 million to our topline performance in 2024. In terms of EBIT the contribution is expected to be minimal.”

Market & Technology

EVS has continued to enhance its core solutions – LiveCeption, MediaCeption, and MediaInfrastructure – by introducing both functional and non-functional upgrades. These improvements cater to diverse stakeholders, including operators, broadcast engineers, and integrators, while also ensuring the implementation of necessary security updates. During the IBC exhibition, EVS showcased several products and workflows deployed in major summer sporting events, attracting strong interest from customers across various sectors,



notably expanding beyond traditional broadcast into the Live Audience Business segment. Customers expressed particular interest in EVS's generative AI capabilities, such as XtraMotion, Cinematic, and Zoom effects, which are applied in near-real-time within LiveCeption workflows. These innovations underscore EVS's commitment to customer-driven advancement, enhancing the quality of storytelling and amplifying the emotional impact of live broadcast events. They add layers of differentiation that go beyond EVS's long-standing reputation for robustness and reliability, which has been a hallmark for three decades.

MediaCeption's demonstrations highlighted new integrations with MOG Technologies, expanding workflow capabilities to meet needs beyond broadcast-specific applications. More and more instances of VIA-MAP are being fully operational after integration projects. The commercial traction is continuously increasing across all regions, creating opportunities for large multi-million projects.

MediaInfrastructure advances innovation with a focus on OPEX optimization and sustainability, specifically targeting carbon footprint reduction. Recent enhancements to the Neuron platform, including the Neuron View application, leverage FPGA technology to provide customers with both increased robustness and significant energy savings. Additionally, a new Cerebrum resource management module enables dynamic resource management, offering customers the potential for reduced operational costs, including energy savings.

These advancements reflect EVS's dedication to delivering customer-centric solutions that address evolving market demands while optimizing operational efficiency and sustainability.

Corporate Topics

On August 2nd, 2024, EVS announced the completion of the acquisition of a minority stake position in the Belgian Company TinkerList, a leading innovator in the media production industry, having developed Cuez – the World's First Cloud-Based Rundown Management System – as a cutting-edge web application and automation system designed to connect seamlessly with a wide variety of production devices. TinkerList products will be enhancing the EVS Flexible Control Room and MediaCeption solutions through a strategic partnership in addition to the M&A transaction.

On October 1st, 2024, EVS completed the acquisition of 100% of the shares of MOG Technologies, a Portugal based company with around 50 highly skilled team members, renowned for its cloud and SW digital media and video production tools. The transaction has been already announced earlier in August but required the completion of formalities prior to be closed, and which are now completed. Thanks to this acquisition, EVS will strengthen MediaCeption and MediaHub solutions, while gaining access to a pool of highly skilled talent and experts in the industry. MOG Technologies will contribute to our revenue performance in 4Q24.

Beyond these M&A transactions, EVS continues to broaden the number of technology partners in its ecosystem to either ensure interoperability with 3rd-party systems or to include new capabilities in its solutions to simplify the operation of the ever more complex content factories that our customers are building.

EVS initiated a new evolution of its HW technology foundations for mid-term smooth evolutions of its products and solutions as a new IAS-38 intangible asset project.

The supply chain for electronic components remains a key focus for EVS, as certain component prices continue to rise faster than inflation. While the market is gradually stabilizing, economic developments and current geopolitical tensions still present challenges.

On November 26th, 2024, EVS will hold its investor day. Investors can register using this [link](#).



Outlook

The 2024 secured revenue allows us to confirm that the high-end range of the existing revenue guidance is within reach (guidance is at EUR 190 - 200 million).

Next to the positive impact of our revenue performance on our gross profit, our gross margin performance on itself also contributes positively to our gross profit. We see an increasing gross margin performance on all our solutions: the proof of a well balanced pricing strategy. This results in an overall gross profit growing faster than revenue.

From an operational expenses point of view, 2024 has been a year of investments. We have been growing our team members since second half 2023. This additional capacity has primarily been invested in our sales and support departments: these investments are important as to continue and fuel our growth. Next to a growing resource base, depreciation of past intangible assets linked to the VIA MAP developments, are contributing to a growing operational spend pattern. As we reach the end of 2024, we expect to add very limited new additions to our resource base going forward. As a result, our operating expenses have seen quite some growth in 2024, but the growth is well projected and controlled.

Combining all elements above, we are confident to realize a profitable growth also for 2024. In line with our revenue guidance, we expect our EBIT performance to be at the higher end of the EBIT range (guidance is at EUR 40 – 46 million).

Our order intake for 2024 is still hinting to a growth compared to 2023. We have a strong and healthy pipeline with a lot of opportunities scheduled to close in the fourth quarter.

Interim Dividend

The Board of Directors has decided to pay an interim dividend of EUR 0.50 per share. The ex-date will be November 20th, 2024 (coupon #37) and the payment date will be November 22nd, 2024.

We reiterate the full year 2024 expected dividend distribution of EUR 1.10 per share, which remains subject to market conditions and to the approval of the Ordinary General Meeting of Shareholders.

Corporate Calendar

November 26th, 2025 : investor day

February 18th, 2025 : 2H 2024 and FY 2024 results (post market publication)

May 16th, 2025 : 1Q 2025 results (post market publication)

May 20th, 2025 : general assembly

August 19th, 2025 : 2Q 2025 and 1H 2025 results (post market publication)

November 21st, 2025 : 3Q 2025 results (post market publication)

About EVS

We create return on emotion

EVS is globally recognized as a leading provider in live video technology for broadcast and new media productions. Spanning the entire production process, EVS solutions are trusted by production teams worldwide to deliver the most gripping live sports images, buzzing entertainment shows and breaking news to billions of viewers every day – and in real time. As we continue to expand our footprint, our dedication to sustainable growth for both our business and the industry is clearly demonstrated through our ESG strategy. This commitment is not only reflected in our results, but also in our high ratings from different agencies.

Headquartered in Liège, Belgium, the company has a global presence with offices in Australia, Asia, the Middle East, Europe, North and Latin America, employing over 700 team members and ensuring sales, training, and technical support to more than 100 countries.

EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371. EVS is, amongst others, part of the Euronext Tech Leaders and Euronext BEL Mid indices.

Media Contacts

For more info about this press release, or to set up an interview with EVS, please contact:

Veerle De Wit – Chief Financial Officer

Tel: +32 4 361 7004 – Email: v.dewit@evs.com

Sébastien Verlaine – Senior Brand & Corporate Communications Manager

Tel: +32 4 361 5809 – Email: s.verlaine@evs.com

Forward Looking Statements

This press release 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.

