EVS BROADCAST EQUIPMENT – RESULTS OF 2019
February 20th 2020

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AGENDA

Agenda

/ Business Update
/ Financial Update
/ Guidance
/ Conclusions
/ Questions & Answers
2019 HIGHLIGHTS

// 2019 Revenue: EUR 103.4 million within the range of the guidance
\[-2.3\% \text{ YoY excluding big events rentals and at constant cy}\]

// Strong NALA revenues offset weak APAC revenues

// Strong Profitability despite lower revenues thanks to strong gross margin and lower
operating expenses \(-5.3\% \text{ YoY}\)

// EBIT: EUR 23.0 million

// Major contracts won for big events in summer 2020 and for broadcast center modernization
thanks to VIA platform launch

// EVS blueprint refined within PLAYForward strategy exercise

// EVS leadership strengthened, having sustainable & profitable growth ambition
EV$ BUSINESS UPDATE

/ BROADCAST & MEDIA MARKET IN TRANSFORMATION
/ EVS SIMPLIFIED BLUEPRINT
/ MARKET RECOGNITION FOR EVS PRODUCTS & SOLUTIONS
/ CHANGE IN PILLARS OF REVENUE DESTINATIONS
/ KEY CONTRIBUTION FOR DIFFERENT PILLARS IN 2019
/ 25 YEARS ANNIVERSARY OF EVS IMPACT ON THE INDUSTRY
BROADCAST & MEDIA MARKET CONDITIONS
CHAIN REACTION WITHIN BROADCAST & MEDIA INDUSTRY IN TRANSFORMATION

MARKET EVOLVES
- New behaviors of audiences
- New entrants (FAANG-TA) capturing audiences
- New sources for capture of high quality videos
- New “broadcast ready” techno (IP, SW, Telecom, Cloud, AI)
- New monetization opportunities for Tier-2 (less popular) events

EVS CUSTOMERS ADOPT NEW STRATEGIES
- Distribute more content
- Produce with less & scalable resources
- Distribute more formats on more platforms
- Manage/Outsource the complexity
- Consolidate with partners & competitors

EVS CUSTOMERS ISSUE NEW REQUIREMENTS TOWARDS VENDORS
- More automation (AI, WF, config)
- More agility & convergence (IP, SW, cloud)
- More remote production solutions
- Easier and more efficient operation
- More services from trusted partners

EVS EVOLVES TO COPE WITH MARKET EVOLUTIONS
- Standard solutions, custom workflows
- More SW components for agility & optimized resources
- New generation of modern, more automated, lean, remote compliant and open products & solutions
- More flexible business models
- More services to support our customers
EVS SIMPLIFIED BLUEPRINT: STANDARD SOLUTIONS – CUSTOM WORKFLOWS

REPLAY & HIGHLIGHTS

LIVE PRODUCTION SYSTEMS

ASSET MANAGEMENT

PRODUCTION PLATFORM

MODULAR INFRASTRUCTURE

Services

Customization
Integration
Learning
Contract

TROUBLESHOOTING

VIA

a micro-service SW platform deployed as containers
EVS SIMPLIFIED BLUEPRINT:
STANDARD SOLUTIONS – CUSTOM WORKFLOWS

**REPLAY & HIGHLIGHTS**

**LIVE PRODUCTION SYSTEMS**

**ASSET MANAGEMENT**

**PRODUCTION PLATFORM**
- Resource Management
- Asset & Workflow Management
- Support & Communication
- AI & Data
- Open API

**MODULAR INFRASTRUCTURE**
- Video
- Audio
- Data
- Files
- Encode
- Decode
- Store
- Transform
- Contribute
- Transport
- Mix
- Render
- Route
- Monitor

**3RD PARTY INTEGRATIONS**

**3RD PARTY INFRA**

**WORKFLOW DESIGN**
- Customization
- Integration
- Learning
- Contract

**TROUBLESHOOTING**

**services**
OFFICIAL MARKET RECOGNITION FOR EVS PRODUCTS & SOLUTIONS

AWARDS & CERTIFICATIONS

EVS and ESL win best esports production award at the Broadcast Tech Innovation Awards 2019

EVS' Overcam wins IABM’s Peter Wayne Golden BaM award at IBC2019

EVS successfully participates in latest JT-NM testing to confirm compatibility with leading IP ecosystem

FIFA awards EVS' Xeebra with certification for its virtual offside line
CHANGE IN INFORMATION GIVEN BY REVENUE DESTINATIONS
NEW MARKET PILLARS

/ LIVE AUDIENCE BUSINESS (LAB)
Broadcasters, Stadium, House of Worship, Corporate Media Centers, Sports organizations, Government & institutions, University & Colleges

/ LIVE SERVICE PROVIDERS (LSP)
Rental & facilities companies, Production companies, Freelance operators, Technology partners & system integrators buying for their own purpose

/ BIG EVENTS RENTAL
Highlight the non-yearly revenue base.

Revenues from customers leveraging EVS products and solutions to create content for their own purpose

Revenues from customers leveraging EVS products and solutions to serve “LAB customers”

Revenues from major non-yearly big events rental.
LIVE AUDIENCE BUSINESS/LIVE SERVICE PROVIDERS/BIG EVENTS RENTAL 3 YEARS EVOLUTION VS OB/STUDIO & OTHERS/BIG EVENTS RENTAL

*Provided as indication*
2019 – EVS contributes to « Live Audience Business » Market Pillar

KANAL2 ESTONIA

GLOBO RPC NEWSROOM

UNIVERSITY OF MIAMI

More new generation elements of solutions to come to re-invent live production

EVS engaged in several projects of broadcast center modernization – leveraging benefits of VIA platform.
2019 – EVS CONTRIBUTES TO « LIVE SERVICE PROVIDERS » MARKET PILLAR

- NEP Finland selected DYVI for MTV Finland “Love Island”
- NEP Australia Sidney & Melbourne hubs
  Remote production of 30 venues across Australia
- X-ONE FOR FINA Artistic swimming World Series
2019 – EVS Prepares 2020 Summer Events with Host Broadcasters

Major 2020 Multi-Sports Event in Asia

Europe Wide Tournament in 2020 for Leading Sport Federation
2019 – 25 YEARS OF EMOTIONS
... AND IMPACT ON WHOLE INDUSTRY

Broadcast Academy activities with HBS
Many training sessions with different EVS products

First women “football director” graduated at ORF
EVG FINANCIAL UPDATE

/ 2019 FINANCIAL HIGHLIGHTS
/ 2019 REVENUES
/ GEOGRAPHICAL SPLIT
/ REVENUE DESTINATION SPLIT
/ CONSOLIDATED INCOME STATEMENT
/ TEAM MEMBERS
/ STRONG BALANCE SHEET
2019 FINANCIAL HIGHLIGHTS

2019 Revenue:
within the range of the guidance
(-2.3% YoY excluding big events rentals and at constant cy)
- Weak APAC region due to political and trade relations issues in the region
- Strong NALA after low 2018 sales as major facility companies start transitioning to UHD and/or HDR

Strong Profitability
- Strong gross margin
- Operating expense declining thanks to strict cost and HC management
- EBIT

Net profit
(-44.2% compared to FY18 mainly due to exceptional tax deductions in relation with the innovation box regime in 2018)

EUR 103.4 million
71.6%
-5.3%
EUR 23.0 million
EUR 19.6 million
2019 REVENUES

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>OB (excl. Rentals)</td>
<td>29.6%</td>
<td>34.1%</td>
<td>37.3%</td>
<td>30.1%</td>
<td>34.0%</td>
<td>34.5%</td>
<td>16.1%</td>
<td>38.5%</td>
<td>22.6%</td>
<td>33.3%</td>
</tr>
<tr>
<td>Studio (excl. Rentals)</td>
<td>47.4%</td>
<td>36.7%</td>
<td>66.6%</td>
<td>64.2%</td>
<td>52.8%</td>
<td>44.1%</td>
<td>41.0%</td>
<td>17.9%</td>
<td>62.4%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Big events rentals</td>
<td>0.2%</td>
<td>0.2%</td>
<td>3.9%</td>
<td>8.2%</td>
<td>1.0%</td>
<td>8.1%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.8%</td>
<td>0.8%</td>
</tr>
</tbody>
</table>
## 2019 Revenues
### Geographical Split

### NALA

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>20.2</td>
<td>20.9</td>
<td>25.2</td>
<td>14.6</td>
<td>14.2</td>
<td>18.6</td>
<td>9.2</td>
<td>15.4</td>
<td>13.4</td>
<td>22.0</td>
</tr>
</tbody>
</table>

### EMEA

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>13.6</td>
<td>36.2</td>
<td>22.1</td>
<td>30.8</td>
<td>33.8</td>
<td>30.2</td>
<td>16.3</td>
<td>18.3</td>
<td>29.4</td>
<td></td>
</tr>
</tbody>
</table>

**Revenues 2019:**

- **NALA:** +44% YOY
- **EMEA:** +2.7% YOY
2019 REVENUES
GEOGRAPHICAL SPLIT

ASIA-PACIFIC

BIG EVENT RENTALS

REVENUES 2019:
-40.3% YOY

REVENUES 2019:
WOMEN WOLD CUP; RUGBY WORLD CUP
### CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th>In millions of EUR</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>103.4</td>
<td>116.1</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-29.3</td>
<td>-33.5</td>
</tr>
<tr>
<td>Gross profit</td>
<td>74.1</td>
<td>82.5</td>
</tr>
<tr>
<td>Gross margin</td>
<td>71.6%</td>
<td>71.1%</td>
</tr>
<tr>
<td>S&amp;A</td>
<td>-27.9</td>
<td>-27.9</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>-22.6</td>
<td>-25.4</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>23.0</td>
<td>28.1</td>
</tr>
<tr>
<td><strong>EBIT MARGIN</strong></td>
<td>22.3%</td>
<td>24.2%</td>
</tr>
<tr>
<td>Financial result</td>
<td>-0.1</td>
<td>+0.0</td>
</tr>
<tr>
<td>Taxes</td>
<td>-3.3</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>19.6</td>
<td>35.2</td>
</tr>
<tr>
<td><strong>BASICS EPS</strong></td>
<td>1.40</td>
<td>2.60</td>
</tr>
</tbody>
</table>

- Revenues: -11% YoY (-0.6% excl. Big Events)
- Gross margin: 71.6% thanks to better product mix and lower inventory write offs.
- OPEX: -5.3% YoY thanks to professional fee reduction and HC management
- EBIT IFRS 16 impact: +306KEUR in EBIT
- Taxes 2018 included a positive impact from innovation box (+6.6MEUR)
- 2019 ETR: 15.0%
- EPS: 1.40EUR (-46% YoY)
TEAM MEMBERS EVOLUTION
NUMBER OF FTE DECREASES IN 2019: -13 FTE FROM DECEMBER 2018 TO DECEMBER 2019

End of semester HC snapshot reporting impacted by hiring timing (Not an average value)
## STRONG BALANCE SHEET

**CASH AVAILABLE: EUR 59 MILLION**

<table>
<thead>
<tr>
<th>Assets (EUR thousands)</th>
<th>12/2019</th>
<th>12/2018</th>
<th>12/2019 vs. 12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,125</td>
<td>1,125</td>
<td>0</td>
</tr>
<tr>
<td>Other intangible assets</td>
<td>173</td>
<td>443</td>
<td>-270</td>
</tr>
<tr>
<td>Lands and buildings</td>
<td>49,365</td>
<td>44,836</td>
<td>4,529</td>
</tr>
<tr>
<td>Other tangible assets</td>
<td>4,344</td>
<td>2,765</td>
<td>1,579</td>
</tr>
<tr>
<td>Investment accounted for using equity method</td>
<td>1,421</td>
<td>1,282</td>
<td>139</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>353</td>
<td>287</td>
<td>66</td>
</tr>
<tr>
<td>Other long term amounts receivables</td>
<td>959</td>
<td>2,324</td>
<td>-1,365</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>6,570</td>
<td>5,428</td>
<td>1,142</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>64,309</strong></td>
<td><strong>58,489</strong></td>
<td><strong>5,820</strong></td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>16,823</td>
<td>15,113</td>
<td>1,709</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>36,582</td>
<td>30,489</td>
<td>6,092</td>
</tr>
<tr>
<td>Other amounts receivable, deferred charges and accrued income</td>
<td>6,071</td>
<td>3,642</td>
<td>2,429</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>238</td>
<td>129</td>
<td>110</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>59,010</td>
<td>68,482</td>
<td>-9,471</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>118,724</strong></td>
<td><strong>117,855</strong></td>
<td><strong>869</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>183,033</td>
<td>176,344</td>
<td>6,689</td>
</tr>
</tbody>
</table>

---

Lands and buildings: +4,5MEUR of which +6,1MEUR for IFRS 16 and -1,5MEUR common depreciation costs

Other tangible asset: +1,5MEUR of which +2,3MEUR for IFRS16 and -0,7MEUR common depreciation costs

Deferred tax asset: +1,1MEUR mainly due to the DTA on EVS BE tax loss

Cash and cash equivalents: -9,5MEUR explained by a positive free cash flow of 18,3MEUR reduced by a net cash used for financing activities of -27,4MEUR of which the dividend pay-out (-13,6MEUR), the share buy-back (-5,2MEUR) and the reimbursement of lease liabilities and loans (-7,7MEUR)
### STRONG BALANCE SHEET

**NET CASH POSITION 46.3M€ AND LOW DEBT LEVEL**

<table>
<thead>
<tr>
<th>EQUITY AND LIABILITIES</th>
<th>12/2019</th>
<th>12/2018</th>
<th>12/2019 vs. 12/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>(EUR thousands)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>8,772</td>
<td>8,772</td>
<td>0</td>
</tr>
<tr>
<td>Reserves</td>
<td>142,149</td>
<td>136,601</td>
<td>5,548</td>
</tr>
<tr>
<td>Interim dividends</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Final dividend</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-9,927</td>
<td>-4,750</td>
<td>-5,177</td>
</tr>
<tr>
<td><strong>Total consolidated reserves</strong></td>
<td>132,221</td>
<td>131,851</td>
<td>371</td>
</tr>
<tr>
<td>Translation differences</td>
<td>767</td>
<td>713</td>
<td>54</td>
</tr>
<tr>
<td><strong>Equity attributable to equity holders of the parent company</strong></td>
<td>141,761</td>
<td>141,336</td>
<td>425</td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>141,761</td>
<td>141,336</td>
<td>425</td>
</tr>
<tr>
<td>Long term provisions</td>
<td>1,636</td>
<td>2,105</td>
<td>-469</td>
</tr>
<tr>
<td>Deferred taxes liabilities</td>
<td>19</td>
<td>44</td>
<td>-25</td>
</tr>
<tr>
<td>Financial long term debts</td>
<td>6,070</td>
<td>4,426</td>
<td>1,644</td>
</tr>
<tr>
<td>Other long term debts</td>
<td>692</td>
<td>68</td>
<td>624</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>8,418</td>
<td>6,642</td>
<td>1,775</td>
</tr>
<tr>
<td>Short term portion of financial debts</td>
<td>6,725</td>
<td>5,493</td>
<td>1,232</td>
</tr>
<tr>
<td>Trade payables</td>
<td>4,870</td>
<td>4,897</td>
<td>-28</td>
</tr>
<tr>
<td>Amounts payable regarding remuneration and social security</td>
<td>8,302</td>
<td>7,442</td>
<td>861</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>4,282</td>
<td>2,519</td>
<td>1,763</td>
</tr>
<tr>
<td>Other amounts payable, advances received, accrued charges and deferred income</td>
<td>8,675</td>
<td>8,015</td>
<td>660</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>32,855</td>
<td>28,366</td>
<td>4,489</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>183,033</td>
<td>176,344</td>
<td>6,689</td>
</tr>
</tbody>
</table>

- Financial long-term debts: +1,6MEUR of which +5,9MEUR for IFRS 16 and -4,3MEUR due to reimbursement of borrowings
- Short-term portion of debts: +1,2MEUR of which 2,4MEUR for IFRS 16 and -1,2MEUR due to reimbursement of borrowings
- Net Cash position: EUR 46,3 million (of which EUR 8,3 million of debt related to IFRS 16)
  - Share buy back: EUR 5,2 million
  - Dividend payment: EUR 13,6 million
GUIDANCE

/ ORDER BOOK
/ OUTLOOK & GUIDANCE 2020
/ DIVIDEND
/ GOVERNANCE
ORDER BOOK: +18.3% YOY EXCLUDING BIG EVENT RENTALS

Order book of EUR 33.4 million on December 31, 2019 (to be recognized in revenue in 2020),
  • +87.3% vs last year (+18.3%, excl. big event rentals)

Additional EUR 4.4 million orders to be invoiced in 2021 and beyond
OUTLOOK & GUIDANCE 2020

// Revenue is expected to be in the EUR 100 million to EUR 120 million range in 2020 taking into account a shift from a Capex model to a multi-year recurring revenue stream

// Opex are expected to be stable compared to prior year
DIVIDEND POLICY
MAINTAIN DIVIDEND POLICY ANNOUNCED IN 2018

/ Deliver a total gross dividend of EUR 1.00 for 2019 (incl. EUR 0.50 interim dividend paid in November 2019) proposed to the Ordinary General Meeting of May 2020

/ 2018 dividend policy maintained for 2020 – 2021:
Deliver a total gross dividend of EUR 1.00 for 2020 and 2021, subject to market conditions.
GOVERNANCE

/ Philippe Mercelis appointed as President of the Board of Directors ad-interim

/ Search of new President of the Board of Directors ongoing
CONCLUSIONS

/ AROUND EVS WORLD IN 80 DAYS AS CEO
/ KEY ACTIVITIES FOR 2020
/ CONCLUSION
PASSION
SKILLS
COMMITMENT
KEY ACTIVITIES FOR 2020

// Deliver the major summer events

// Continue to expand EVS solutions offering, organically and/or through strategic partnerships

// Implement PLAYForward project
CONCLUSION

// 2019 revenues in line with the guidance albeit slightly declining versus 2018 (-2.3% YoY excluding Big Events rental)
// 2020 outlook: revenues expected to be between 100-120M€
// Opex expected to be stable year over year
// 2018 dividend policy maintained for 2020 – 2021
// PLAYForward project to revise & optimize future plans and objectives settings for 2020
// EVS leadership strengthened, having sustainable & profitable growth ambition
THANK YOU

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