

# EVS BROADCAST EQUIPMENT – RESULTS OF 2020

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Corporate Communication



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# DISCLAIMER

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## ***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.*

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# /// AGENDA ///

## Agenda

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- / Business Update
- / Financial Update
- / Outlook
- / Conclusions
- / Questions & Answers

# 2020 HIGHLIGHTS

## EVEN IN A PANDEMIC YEAR DRAMATICALLY IMPACTING EVENT & MEDIA INDUSTRY, EVS LIMITED THE IMPACTS AND PREPARED FOR THE RECOVERY

### REVENUES

- 2019 : 103.4MEUR
- 2020 : 88.1MEUR (-14.8%)

### EBIT

- 2019 : 23.0MEUR
- 2020 : 5.7MEUR (-75%)

### EOY ORDER BOOK

- 2019 : 37.8MEUR
- 2020 : 54.2MEUR (+43%)

### EOY NET CASH

- 2019 : 46,2MEUR
- 2020 : 35.7MEUR (-23%)

### / LIMITING THE COVID-19 IMPACTS

- STILL POSITIVE EBIT AND NET RESULTS THANKS TO A SIGNIFICANTLY LOWER OPEX FOR SAME PERIMETER
- DELIVERY OF COMMITTED PROJECTS, ESPECIALLY IN LAB MARKET PILLAR
- MANAGING REMOTE VIRTUAL NAB & IBC EVENTS AND CONTINUOUS REMOTE DEMOS AND TRAINING FOR OUR CUSTOMERS AND OPERATORS \*\*\* DUPLICATE
- ONBOARDING AXON TEAM THROUGH SUCCESSFUL INTEGRATION PROJECT
- POSTPONE (AND NOT CANCEL) REVENUES LINKED TO MAJOR SPORT SUMMER EVENTS
- MAINTAIN DECENT WORKING CAPITAL AND STRONG CASH POSITION THANKS TO CLOSE MONITORING OF CUSTOMER SITUATIONS

### / PREPARING THE NEW NORMAL

- NEW DISTRIBUTED WORK PRACTICES BENEFICIAL FOR TEAM PRODUCTIVITY AND COLLABORATION
- RE-INVENT NEW FORMS OF INTIMACY WITH CUSTOMERS
- STRENGTHEN THE POSITION IN MEDIA INFRASTRUCTURE THANKS TO INTEGRATION OF AXON PRODUCTS WITH EVS SOLUTIONS
- ACCELERATE SOLUTIONS ENABLING REMOTE PRODUCTION
- LAUNCHING LSM-VIA AS THE NEW ICONIC HIGHLIGHT AND REPLAY DEVICE FOR REMOTE PRODUCTION, EARNING TWO MAJOR INDUSTRY AWARDS
- GROWTH IN LAB MARKET PILLAR, IN REVENUES AND ORDER INTAKE RESULTING IN A VERY STRONG ORDER BOOK
- LARGEST Q4 ORDER INTAKE EVER FEEDING A VERY GOOD ORDER BOOK FOR 2021 AND FOLLOWING YEARS

# 2020 FINANCIAL HIGHLIGHTS

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## / 2020 Revenue:

within the range of the guidance

*(-14% YoY excluding big events rentals and at constant cy)*

- Growth in LAB market pillar (+8.3%)
- APAC situation improved in H2 showing

## / Still healthy Profitability

- Gross margin
- Positive EBIT, including 1.1MEUR exceptional costs
- Operating expense under control despite cost increase due to Axon onboarding

## / Net profit

*(-63% compared to FY19 due to lower revenues and EBIT margin offset by reversal of uncertain tax position and R&D Tax incentives)*

**EUR 88.1 million**

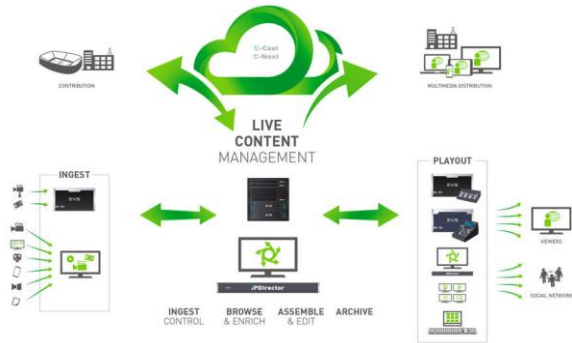
66.5%

**EUR 5.7 million**

**EUR 7.2 million**



# 2020 – CONTINUOUS CUSTOMER SUPPORT & GROWTH IN LAB MARKET DESPITE COVID



Large multi-million modernization contracts based on VIA platform, fully leveraging IP 2110 and/or micro-services in:

- Major US media group's broadcast center
- APAC large broadcast centers
- Sports broadcast center in Benelux
- News broadcast center in Benelux
- Studios of a large production company in WEU
- WEU large parliament



Cerebrum control system & Neuron stream processing at the core of CanalPlus France media center



Important renewal project of a large US league sports center based on XT-VIA for 1080p & 4K.



Blast TV selects EVS for COMPLETE eSports production environment



Large upgrade and extension with a major player in China

Support of Superbowl LV as every year



# VIRTUAL NAB & IBC, LIVE PRODUCTION ANYWHERE WEBSHOW & MANY RICH REMOTE INTERACTIONS ONGOING

- Virtual NAB & IBC has been organized with hundreds of persons from everywhere in the world attending different remote demos for rich and personalized interactions
- Live Production Anywhere webshow, organised in partnership with our customers, focusing on Remote Live Production, organised with active participation of many EVS departments to show usage of EVS solutions and the dedication of EVS for its customers.
- Continuous remote interactions with customers to assist them in the design of their new solutions with lower needs for travels.



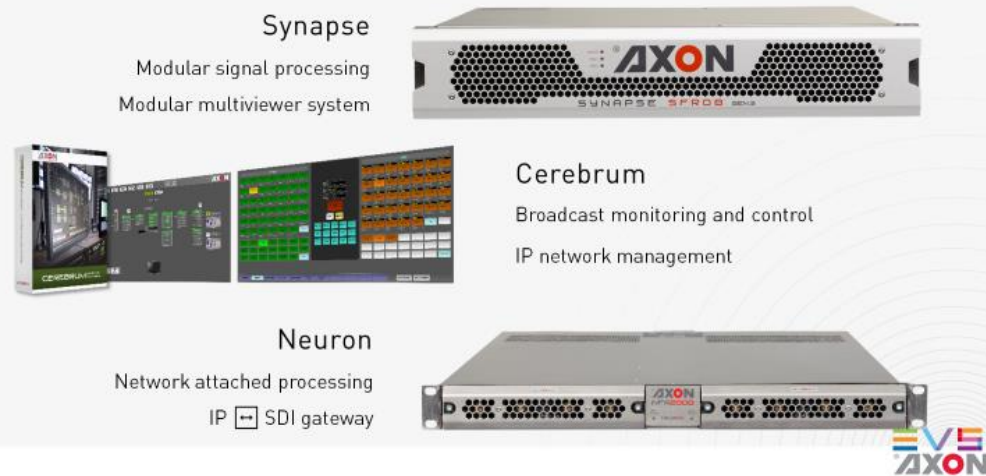
**1000+**  
**engineers**  
**trained on**



# ON MAY 1<sup>ST</sup>, EVS ACQUIRED AXON – LEADER IN MEDIA INFRASTRUCTURE PRODUCTS TO COMPLEMENT EVS BLUEPRINT DEFINED DURING PLAYFORWARD EXERCISE

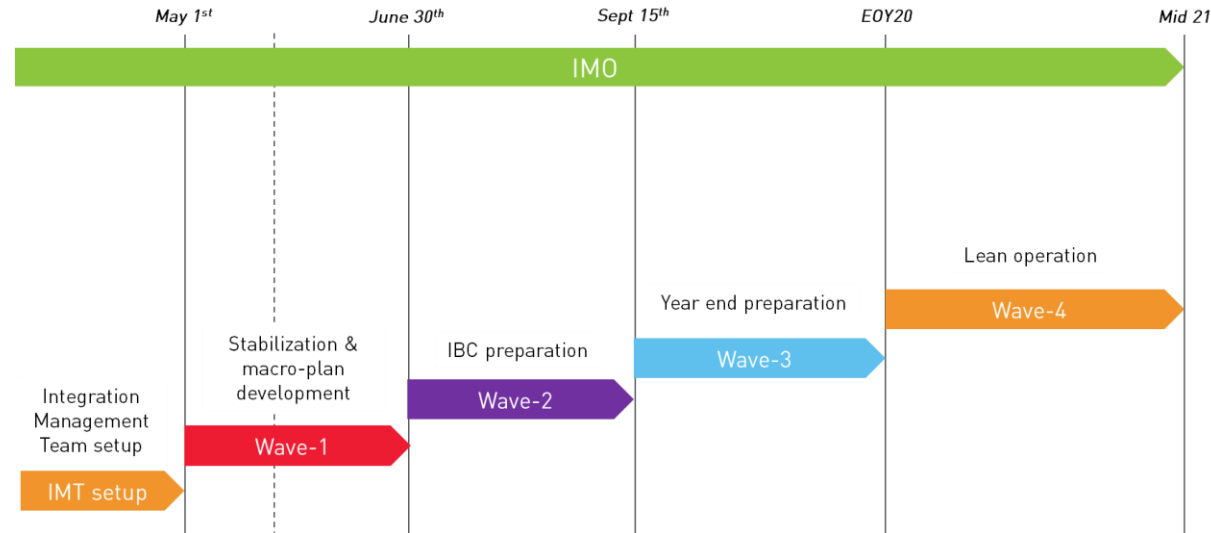
## Acquisition of Axon for 10.5MEUR

### AXON PRODUCT PORTFOLIO



- 2019 results: Revenues 17.5 – breakeven
- Very powerful Media Infrastructure products
- Teams in NL, UK & China
- Same customer profile
- Mostly active in EMEA & APAC
- Significant presence in large OBVsans (30%)

## Successful integration



## First synergies materialized

- Revenues from first deals & end-to-end positioning towards integrators
- Cost synergies linked to volume purchasing, same offices and Axon team members taking open positions



# 2020 – EVS CONTINUES TO PREPARE 2021 SUMMER EVENTS WITH HOST BROADCASTERS



**MAJOR 2021 MULTI-SPORTS EVENT  
IN ASIA**



**EUROPE WIDE TOURNAMENT IN 2021  
FOR LEADING SPORT FEDERATION**

**EVENTS &  
RELATED REVENUES POSTPONED & SECURED THANKS TO CONTRACT UPDATE**

# IMPROVED DISTANT TEAMS PRODUCTIVITY & COLLABORATION

- / Lower virtual distance between teams of different sites
- / Low impact of Covid-19 on productivity (a few days to adapt)
- / Learning to collaborate while working remotely
- / Accelerate thoughts about work fundamentals
- / Less time lost, lower T&E costs



... and the opportunity for parents to train very young operators

# EVS ACCELERATED SOLUTIONS ENABLING REMOTE PRODUCTION

## Distant 'remote' Production



A **majority of equipment is housed at the event site**, but some operational staff are located at the broadcast center.

## Centralized Production



A **majority of production equipment is housed in the central facility** for the production execution.

## Distributed Production



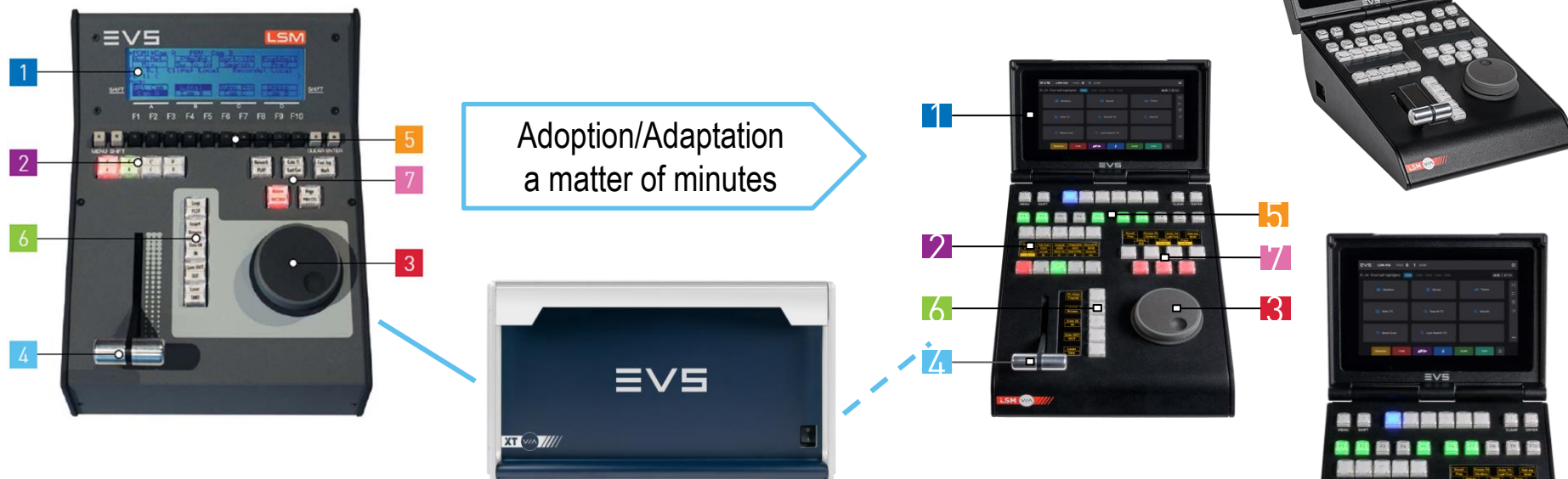
The **equipment and staff to execute a production is decentralized & distributed in many locations**, but the production is collectively executed as one.

**Covid-19 has accelerated this case**



# LSM-VIA – THE NEW EVS REMOTE FOR REPLAY & SLOW MOTION ...

From the legendary EVS remote to **LSM-VIA**



### Keeping the best of the legend:

- Same feeling with jog & lever
- Same functions
- Same robustness

### And further enhance it with:

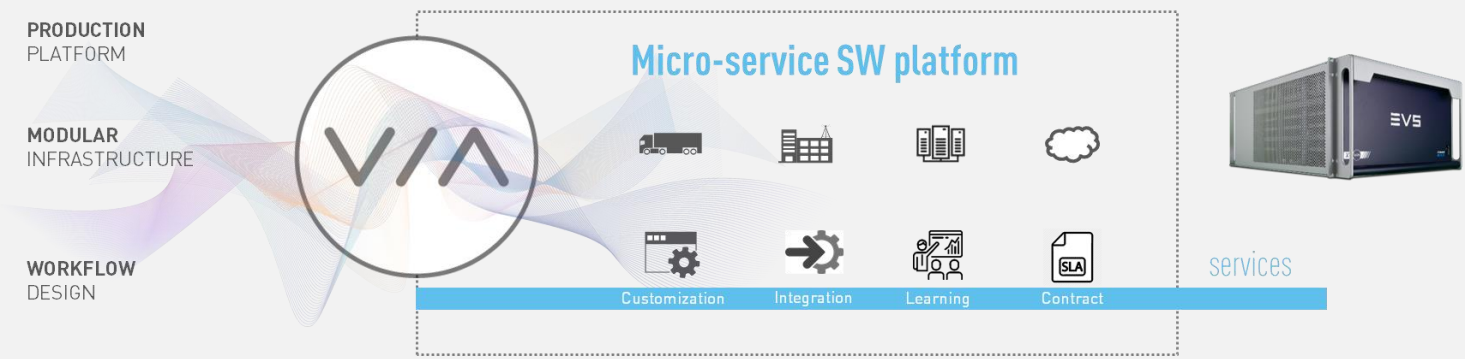
- IP & scalability
- Touch screen, shortcuts & programmability
- Many more functions for more convenience

- 100 units ordered the first week
- Successfully used during summer
- Strong appetite from EVS operator community
- 2 awards:  
Crowned as 2020 Product Innovation by TVB Europe & TV technology

*For easier remote production, faster highlights & custom workflows*



# STANDARD SOLUTIONS – CUSTOM WORKFLOWS ENHANCED WITH MEDIA INFRASTRUCTURE



- Media infrastructure solutions
  - IP network SDN control
  - Live media processing
- Cerebrum as an option for all EVS solutions enabling a centralized control
- Neuron & Synapse embedded in various solutions for stream processing and multi-viewing

# EVS FINANCIAL UPDATE

- / 2020 FINANCIAL HIGHLIGHTS
- / 2020 REVENUES
- / GEOGRAPHICAL SPLIT
- / REVENUE DESTINATION SPLIT
- / CONSOLIDATED INCOME STATEMENT
- / TEAM MEMBERS
- / STRONG BALANCE SHEET

## 2020 FINANCIAL HIGHLIGHTS

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within the range of the guidance

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**EUR 88.1 million**

66.5%

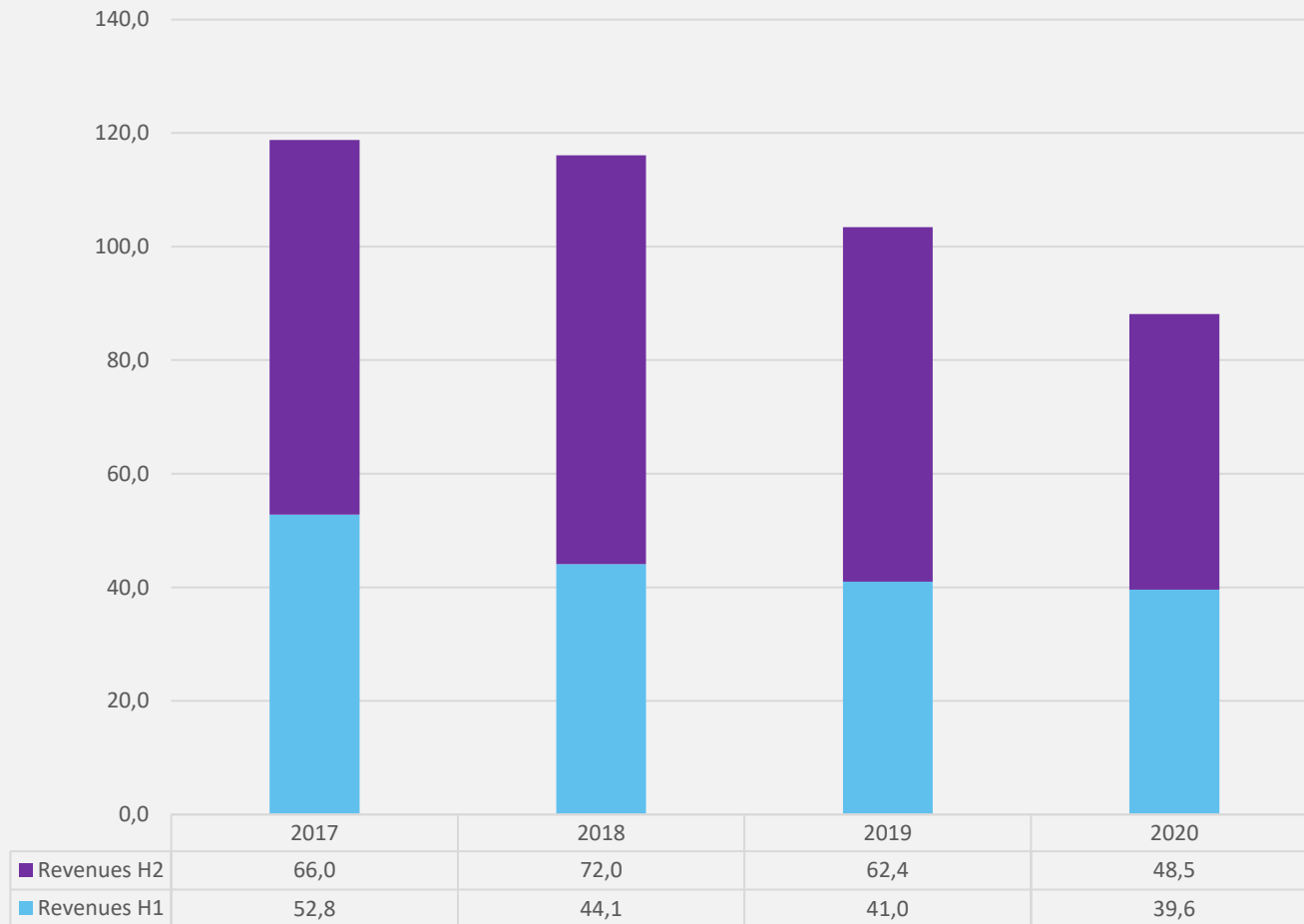
**EUR 5.7 million**

**+1.9% YOY**

**EUR 7.2 million**

# 2020 REVENUES

WW Revenues per year, per semester

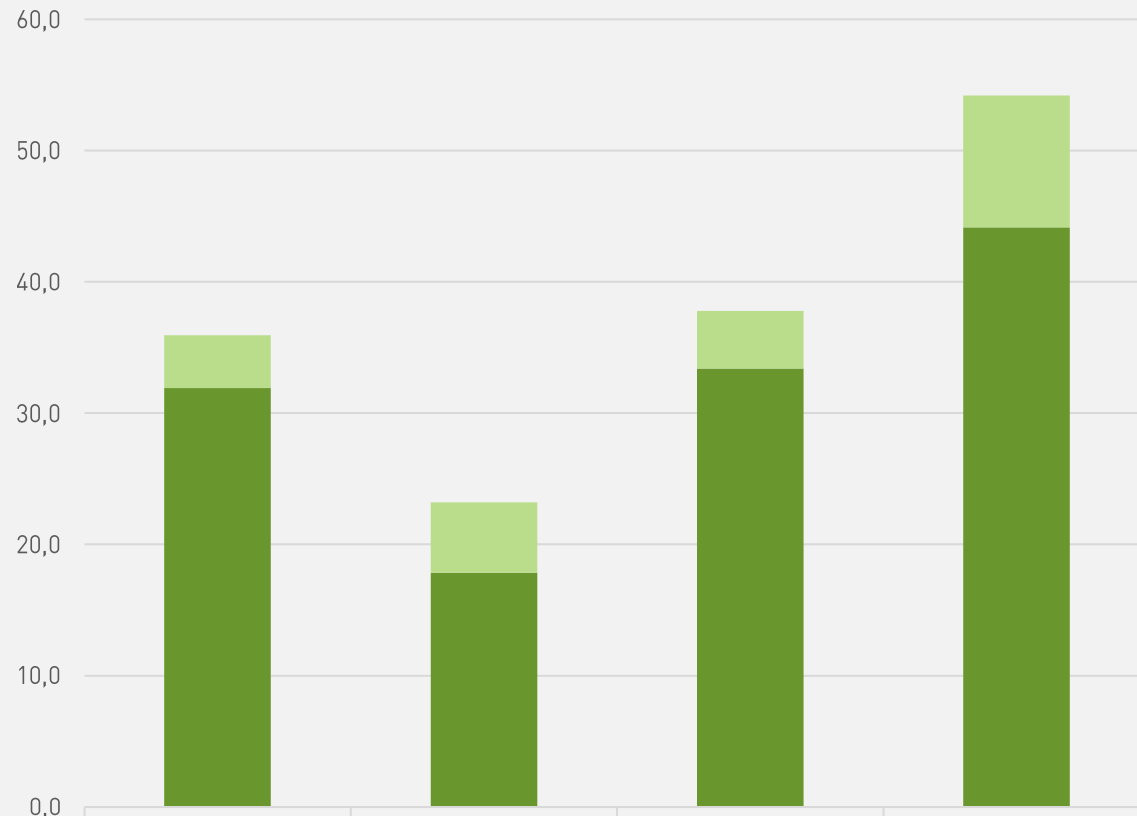


- 2020 revenues heavily impacted by COVID-19
- Thanks to a strong Q1, H1 revenues were only slightly lower than 2019.
- H2 has shown a strong decrease, especially Q3. Q4 has been one of the best quarter in terms of Order Intake, leading to a strong order book.



# 2020 ORDER BOOK

Order book EOY



Order book EOY LT	4,0	5,4	4,4	10,0
Order book EOY ST	31,9	17,8	33,4	44,1

- Order book increases with time due to following reasons:
  - LAB projects spread on several years
  - More recurrent revenues (OPEX & SLA)
- Significant increase of long term order book (double of last 3Y average)

ST (Short Term)=Year + 1  
LT (Long Term)=Year + 2 and following

# REMINDER

## MARKET PILLAR DEFINITIONS



### / LIVE AUDIENCE BUSINESS (LAB)

Broadcasters, Stadium, House of Worship, Corporate Media Centers, Sports organizations, Government & institutions, University & Colleges

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



### / LIVE SERVICE PROVIDERS (LSP)

Rental & facilities companies, Production companies, Freelance operators, Technology partners & system integrators buying for their own purpose

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



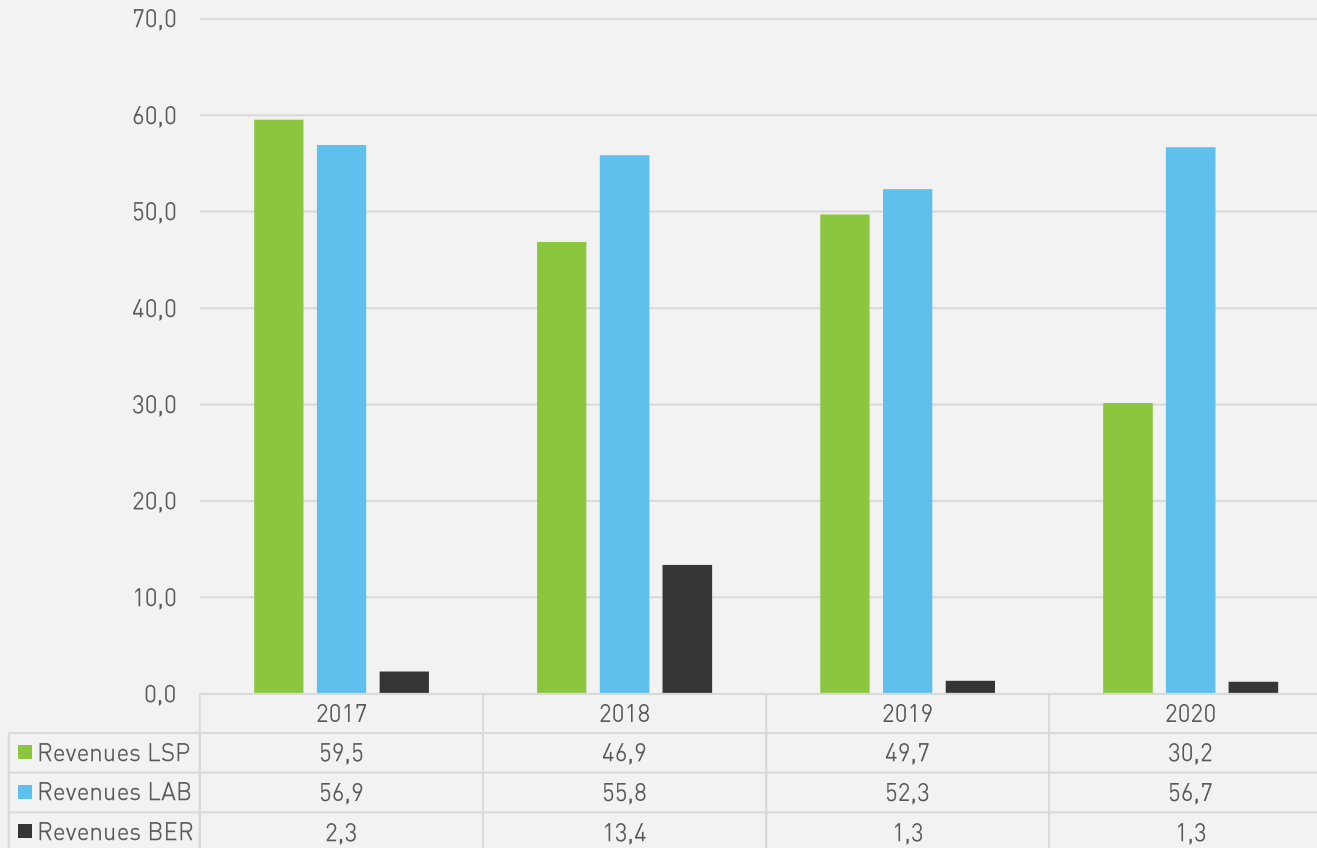
### / BIG EVENTS RENTAL

Highlight the non-yearly revenue base.

Revenues from major non-yearly big events rental.

# REVENUES PER MARKET PILLAR

WW Revenues per Market Pillars\*



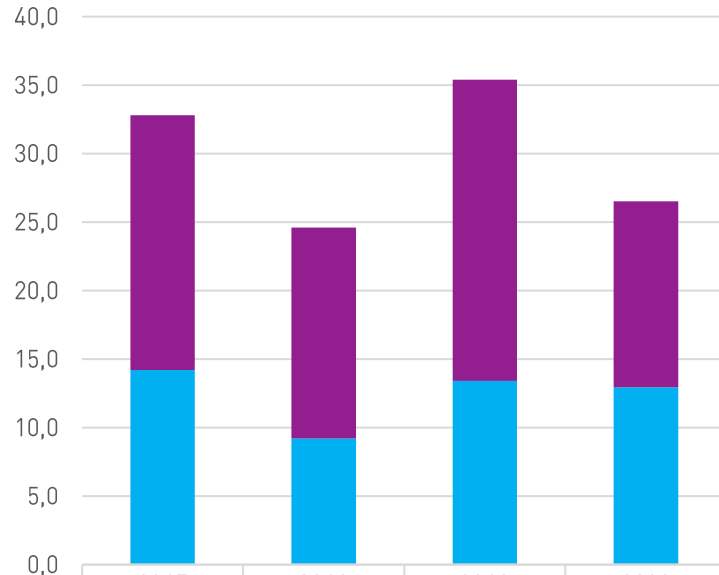
\* Provided as indication

- Growth in LAB revenues in 2020, which is outstanding considering the circumstances
- LSP revenues impacted by the situation of the customers (OBVans on parking leading to challenging situation)
- BER revenues impacted by the postponement of major summer events.

# 2020 REVENUES GEOGRAPHICAL SPLIT

## NALA

NALA revenues



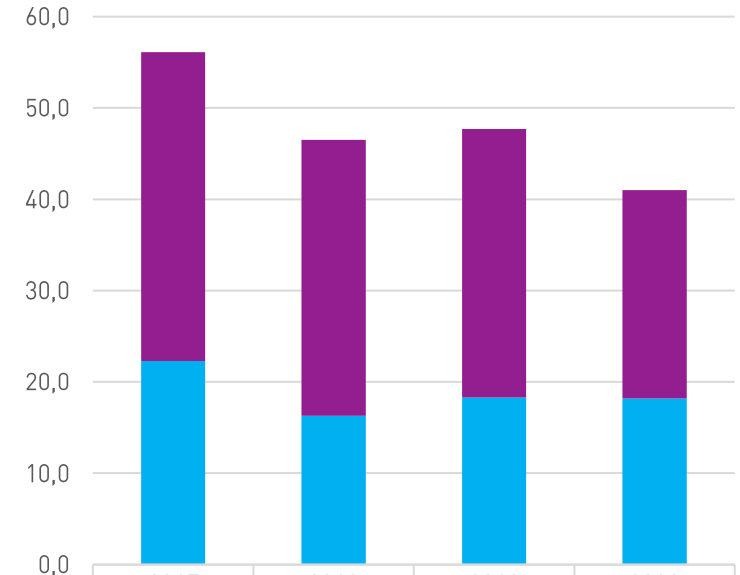
	2017	2018	2019	2020
■ Revenues NALA H2	18,6	15,4	22,0	13,6
■ Revenues NALA H1	14,2	9,2	13,4	12,9



REVENUES 2020:  
**-25.1% YOY**

## EMEA

EMEA revenues



	2017	2018	2019	2020
■ Revenues EMEA H2	33,8	30,2	29,4	22,8
■ Revenues EMEA H1	22,3	16,3	18,3	18,2



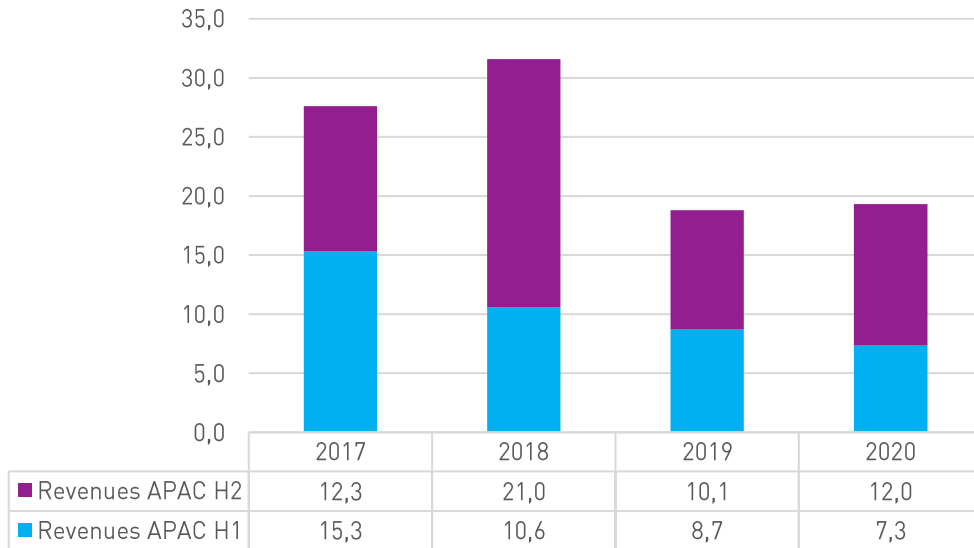
REVENUES 2020:  
**-14.0% YOY**



# 2020 REVENUES GEOGRAPHICAL SPLIT

## ASIA-PACIFIC

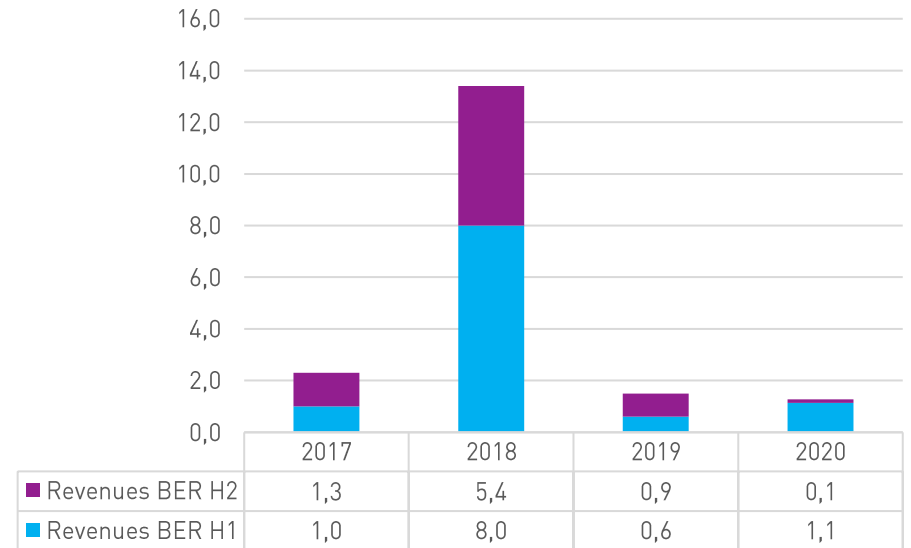
APAC revenues



REVENUES 2020:  
**+2.3% YOY**

## BIG EVENT RENTALS

BER revenues



REVENUES 2020:  
**SUMMER EVENTS POSTPONED**

# CONSOLIDATED INCOME STATEMENT

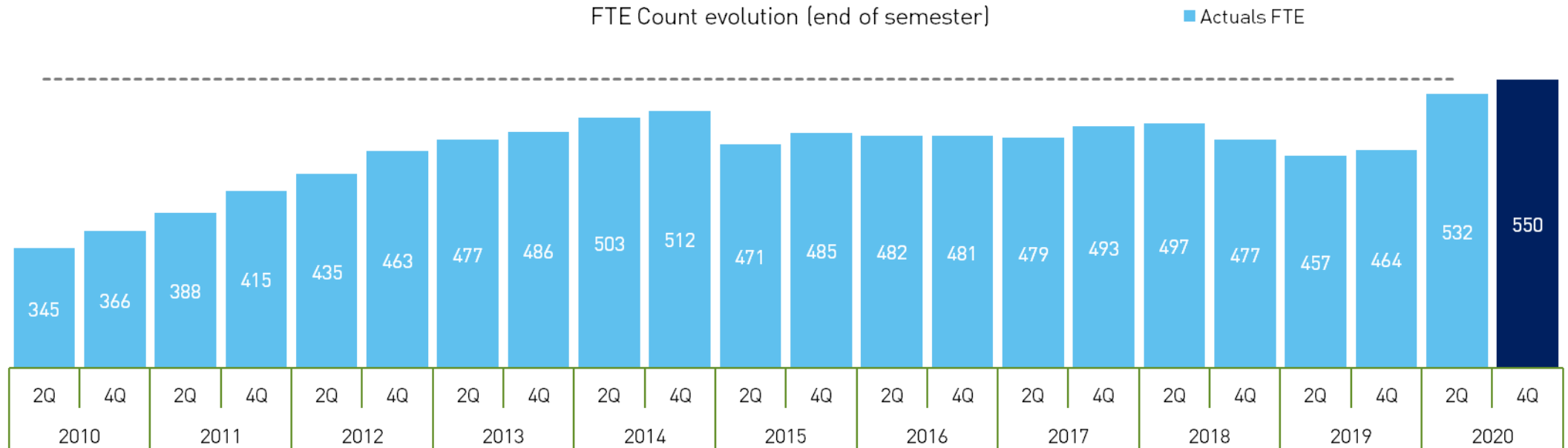
In millions of EUR	2020	2019
<b>REVENUE</b>	<b>88.1</b>	<b>103.4</b>
Cost of sales	-29.6	-29.3
Gross profit	58.6	74.1
Gross margin	66.5%	71.6%
S&A	-27.5	-27.9
R&D	-24.0	-22.6
Other Rev/ Expense	-1.4	-0.5
<b>EBIT</b>	<b>5.7</b>	<b>23.0</b>
<b>EBIT MARGIN</b>	<b>6.4%</b>	<b>22.3%</b>
Financial result	-1.3	-0.1
Taxes	2.8	-3.3
<b>NET PROFIT</b>	<b>7.2</b>	<b>19.6</b>
<b>BASICS EPS</b>	<b>0.53</b>	<b>1.40</b>

- / Revenues: -15% YoY
- / Gross margin: 66.5% due to lower revenues and Media Infrastructure mix
- / OPEX: +1,9% YoY following Media Infrastructure integration (-9.9% YoY ex-EVS perimeter)
- / Other exceptional expense: -1.1MEUR
- / Taxes: Reversal of uncertain tax provision + R&D tax incentives effect
- / EPS: 0,53EUR (-62% YoY)

# TEAM MEMBERS EVOLUTION

>Highlights

NUMBER OF FTE INCREASE IN 2020: +86 FTE FROM DECEMBER 2019 TO DECEMBER 2020  
FOLLOWING AXON INTEGRATION



/ End of semester HC snapshot reporting impacted by hiring timing (Not an average value)

# STRONG BALANCE SHEET - CASH AVAILABLE: EUR 52.7 MILLION WORKING CAPITAL UNDER CONTROL

ASSETS (EUR thousands)	12/2020	12/2019	12/2020 vs. 12/2019
<b>Non-current assets :</b>			
Goodwill	2.832	1.125	1.707
Other intangible assets	7.041	173	6.869
Lands and buildings	51.662	49.365	2.297
Other tangible assets	5.034	4.344	690
Investment accounted for using equity method	1.760	1.421	339
Other financial assets	395	353	42
Other long term amounts receivables	543	959	-416
Deferred tax assets	8.725	6.570	2.155
<b>Total non-current assets</b>	<b>77.992</b>	<b>64.309</b>	<b>13.683</b>
<b>Current assets :</b>			
Inventories	22.579	16.823	5.756
Trade receivables	30.728	36.582	-5.854
Other amounts receivable, deferred charges and accrued income	5.930	6.071	-141
Other financial assets	120	238	-119
Cash and cash equivalents	52.668	59.010	-6.342
<b>Total current assets</b>	<b>112.024</b>	<b>118.724</b>	<b>-6.700</b>
<b>Total assets</b>	<b>190.016</b>	<b>183.033</b>	<b>6.984</b>

- / Additional goodwill of 2,8MEUR following Axon acquisition
- / Two intangible assets recognized as a result of the purchase price allocation for Axon:
  - Customer related assets +5,1MEUR
  - Technology +2,5MEUR
- / Lands and buildings: +2,3MEUR consists of additional right of use assets for IFRS 16, new investments, less depreciation costs
- / Inventory: +5,7MEUR of which +1,9MEUR from Axon
- / Trade receivables decrease (-5,8MEUR) including +2,1MEUR from Axon
- / Cash and cash equivalents: -6,3MEUR mainly explained by the acquisition of Axon net of cash balances acquired (-10,2MEUR) offset by new proceeds from external financing (+5,5MEUR)



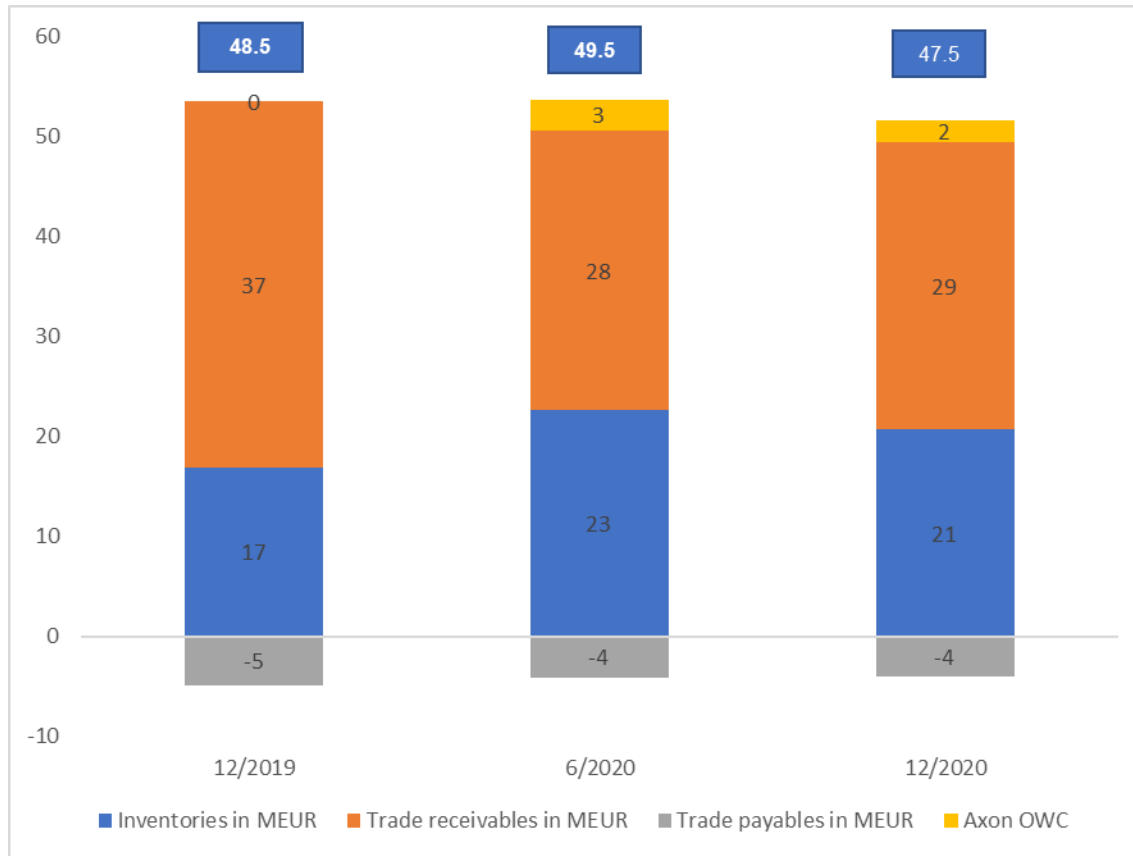
# STRONG BALANCE SHEET

## NET CASH POSITION 35.7M€ AND LOW DEBT LEVEL

EQUITY AND LIABILITIES (EUR thousands)	12/2020	12/2019	12/2020 vs. 12/2019
<b>Equity :</b>			
<b>Capital</b>	<b>8.772</b>	<b>8.772</b>	<b>0</b>
Reserves	149.308	142.149	7.160
Interim dividends	0	0	0
Final dividend	0	0	0
Treasury shares	-17.835	-9.927	-7.907
<b>Total consolidated reserves</b>	<b>131.473</b>	<b>132.221</b>	<b>-748</b>
Translation differences	276	767	-491
<b>Equity attributable to equity holders of the parent company</b>	<b>140.522</b>	<b>141.761</b>	<b>-1.239</b>
<b>Non-controlling interest</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>140.522</b>	<b>141.761</b>	<b>-1.239</b>
Long term provisions	1.299	1.636	-337
Deferred taxes liabilities	1.389	19	1.370
Financial long term debts	12.251	6.070	6.181
Other long term debts	993	692	301
<b>Non-current liabilities</b>	<b>15.932</b>	<b>8.418</b>	<b>7.514</b>
Short term portion of financial debts	4.713	6.725	-2.012
Trade payables	5.775	4.870	905
Amounts payable regarding remuneration and social security	7.005	8.302	-1.297
Income tax payable	2.259	4.282	-2.023
Other amounts payable, advances received, accrued charges and deferred income	13.811	8.675	5.136
<b>Current liabilities</b>	<b>33.562</b>	<b>32.855</b>	<b>708</b>
<b>Total equity and liabilities</b>	<b>190.016</b>	<b>183.033</b>	<b>6.984</b>

- / Financial long-term debts: +6,1MEUR of which
  - + 3,3MEUR for the LT loan from BNP
  - + 2,8MEUR for IFRS 16 (of which 1,2MEUR for Axon)
  
- / Short-term portion of debts: -2MEUR explained by
  - Reimbursement of -4,2MEUR (building loan and other)
  - Short-term portion of BNP loan to finance Axon acquisition +1,6MEUR
  - IFRS 16: +0,7MEUR of which +0,6MEUR for Axon
  
- / Income tax payable: -2,1MEUR mainly explained by the update of EVS tax position
  
- / Net Cash position: EUR 35,7 million (vs 46,2 MEUR end 2019)

# OPERATING WORKING CAPITAL: -4% (1.9MEUR) VS JUNE 2020



/ Total operating working capital : -1.9 MEUR vs 06/2020 (-4%)

- Inventories : - 2MEUR vs 06/2020
- Trade receivables : +0.7MEUR vs 06/2020 due to higher H2 sales level



# OUTLOOK

## / OUTLOOK & GUIDANCE 2020

## OUTLOOK & GUIDANCE 2021

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- / Given the uncertainties linked to the COVID-19 situation and the resulting difficulties to make projections, no revenue guidance is provided
- / Opex is expected to slightly increase compared to prior year following the full year integration of Axon (Media Infrastructure) costs while keeping costs under control

## NEXT FOCUS & CONCLUSIONS

- / NEXT FOCUS - KEY ACTIVITIES FOR 2021
- / CONCLUSION

## NEXT FOCUS - KEY ACTIVITIES FOR 2021

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- / Deliver the major summer events
- / Deliver the large multi-years modernization projects that we have won
- / Support our customers in their challenges and help them to recover in a better shape
- / Continue to expand EVS solutions offering, organically, through acquisitions and strategic partnerships



## CONCLUSION

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- / Positive EBIT despite the pandemic and still strong cash position
- / 2020 revenues have been significantly impacted by COVID-19
- / Strong Q4 Order Intake, resulting in an order book larger than ever
- / Growth in Live Audience Business market pillar both for revenues and order book
- / OPEX significantly reduced at equivalent perimeter, slightly increased with onboarding of Axon (Media Infrastructure)
- / Given the uncertainties linked to the COVID-19 situation and the resulting difficulties to make projections, no revenue guidance is provided
- / Opex is expected to slightly increase compared to prior year following the full year integration of Axon (Media Infrastructure) costs while keeping costs under control
- / EVS has prepared itself for recovery in 2021



# QUESTIONS & ANSWERS

# THANK YOU

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