

EVS BROADCAST EQUIPMENT

RESULTS Q2 2018

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AGENDA

▶ 2Q 2018 review

▶ Outlook



1H18 HIGHLIGHTS

WEAK 1H18, EXPECTING ACCELERATION IN 2H18

▶ 1H Revenue

- ▶ Low as expected given published order book in May
- ▶ Continued challenging market conditions
- ▶ No market share loss

▶ 1H Profitability

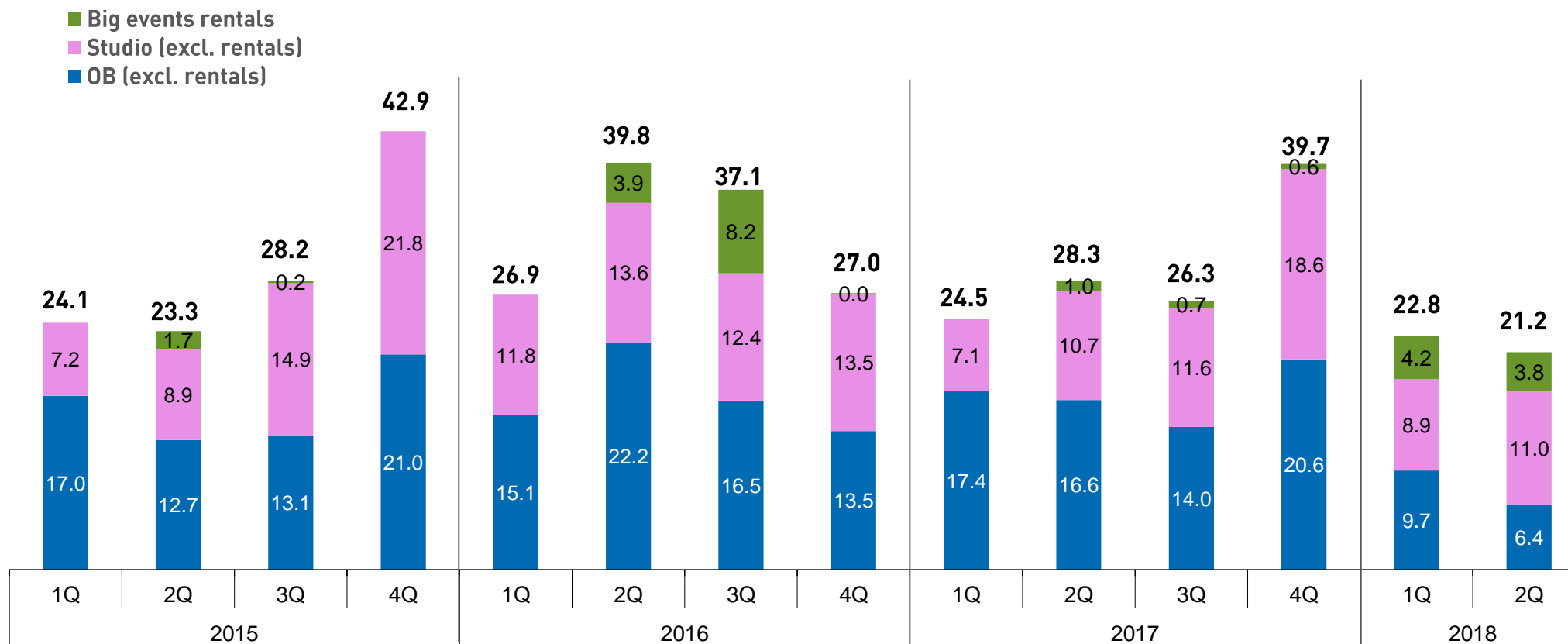
- ▶ Profitability impacted by lower sales and product mix, but good opex control
- ▶ Innovation box

▶ FY18 outlook

- ▶ Order book and pipeline give us confidence to confirm the 115-130 range
- ▶ Good momentum around new products, including XT-VIA (shipping since August 3)
- ▶ Moderate opex growth confirmed



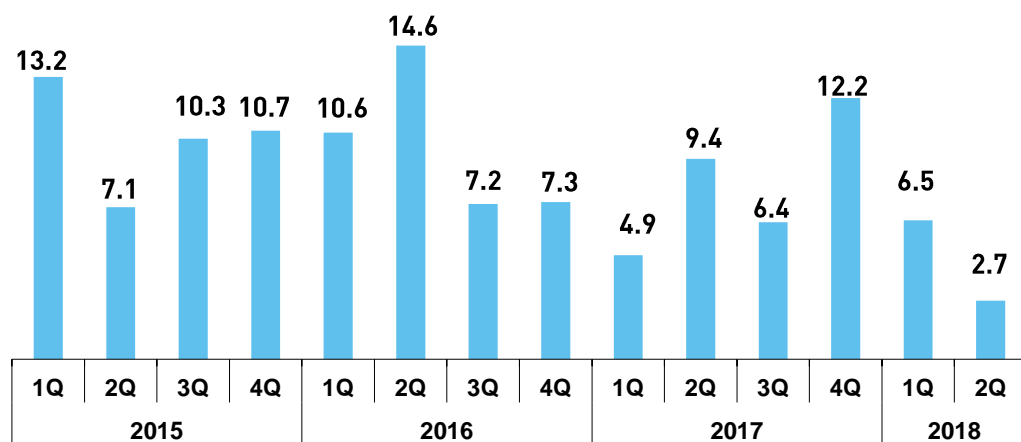
LOW REVENUE 2Q 2018 WITH 21.2 MEUR, OR 17.4 MEUR EXCL BIG EVENTS



Q2 REVENUE: GEOGRAPHICAL SPLIT

THE AMERICAS

(excl. events)



1H18: EUR 9.2 million



EMEA

(excl. events)

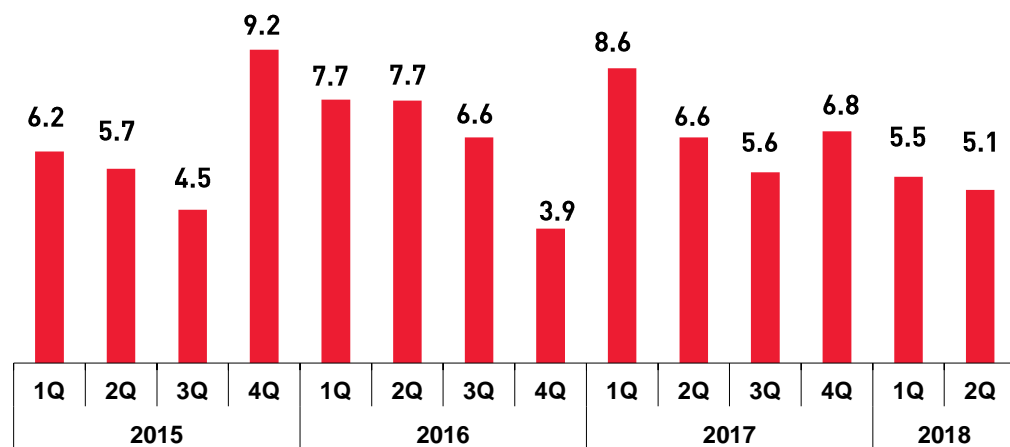


1H18: EUR 16.3 million

Q2 REVENUE: GEOGRAPHICAL SPLIT

APAC

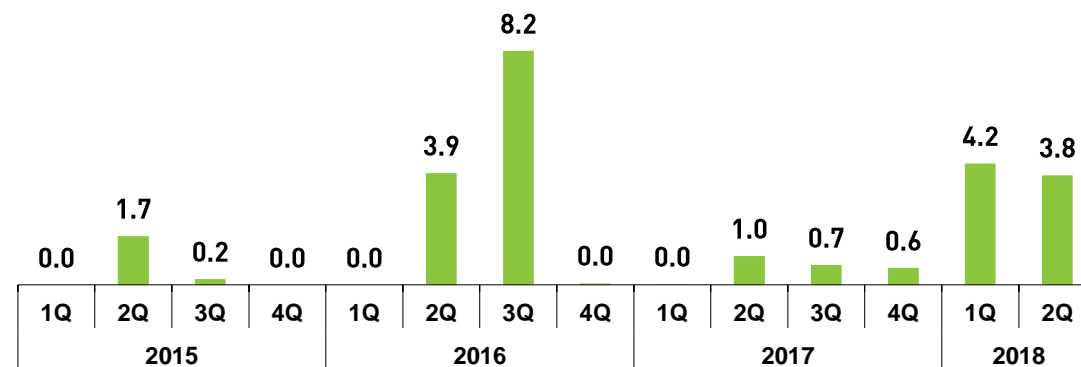
(excl. Events)



1H18: EUR 10.6m



BIG EVENT RENTALS



1H18: EUR 8.1 m

CONSOLIDATED INCOME STATEMENT 2Q 2018

In millions of EUR	2Q18	2Q17
REVENUE	21.2	28.3
Cost of sales	-7.5	-7.2
Gross profit	13.8	21.1
Gross margin	64.8%	74.5%
S&A	-7.1	-7.6
R&D	-5.8	-6.0
EBIT	0.5	7.9
EBIT MARGIN	2.3%	28.0%
Financial result	-0.2	-0.5
Taxes	8.1	-1.9
NET PROFIT	8.4	5.5
BASICS EPS ¹⁾	0.62	0.41

- ▶ Revenue: -24.8% yoy
- ▶ Gross margin: -9.7ppt yoy
 - Lower revenue
 - Higher write-offs
- ▶ OPEX: -5.6% yoy
 - Lower people related costs
- ▶ EBIT margin: 2.3%
- ▶ Taxes (EUR 8.1 million vs EUR -1.9 million last year)
 - Innovation Box impact: EUR 7.6 million
- ▶ EPS: 0.62€



CONSOLIDATED INCOME STATEMENT 1H 2018

In millions of EUR	1H18	1H17
REVENUE	44.1	52.8
Cost of sales	-14.6	-14.5
Gross profit	29.5	38.3
Gross margin %	66.9%	72.5%
S&A	-13.6	-13.7
R&D	-12.9	-12.2
EBIT	2.3	12.8
EBIT MARGIN	5.3%	24.3%
Financial result	-0.4	-0.7
Taxes	8.6	-3.2
NET PROFIT	10.6	9.1
BASICS EPS ¹⁾	0.78	0.67

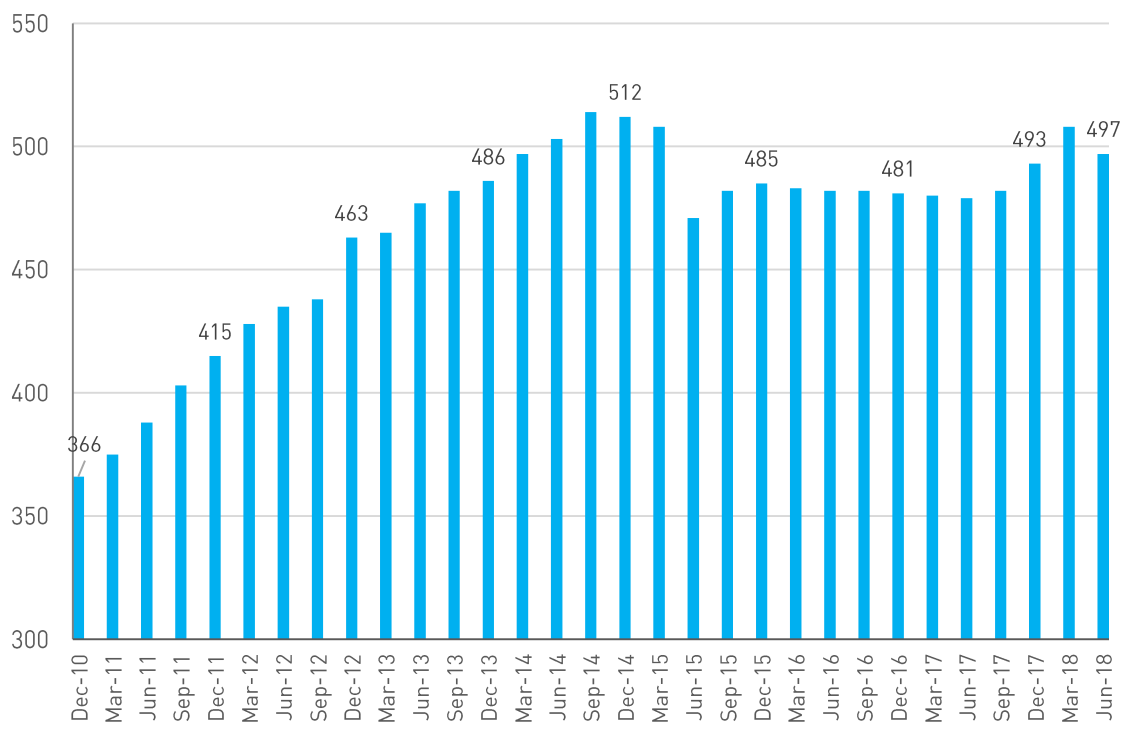
- ▶ Revenue: -16.5% yoy
- ▶ Gross margin: 5.6ppt yoy
 - Lower revenue
 - Higher write-offs
 - Product mix
- ▶ OPEX: +2.5% yoy
 - Fully under control
- ▶ EBIT margin: 5.3%
- ▶ Taxes (EUR 8.6 million vs EUR -3.2 million last year)
 - Innovation Box impact: EUR 7.6 million
 - Loss in 1Q18 on EVS.be (0.8 m€ of DTA on the tax loss)
- ▶ EPS: 0.78€



FTE EVOLUTION AND COSTS ARE UNDER CONTROL

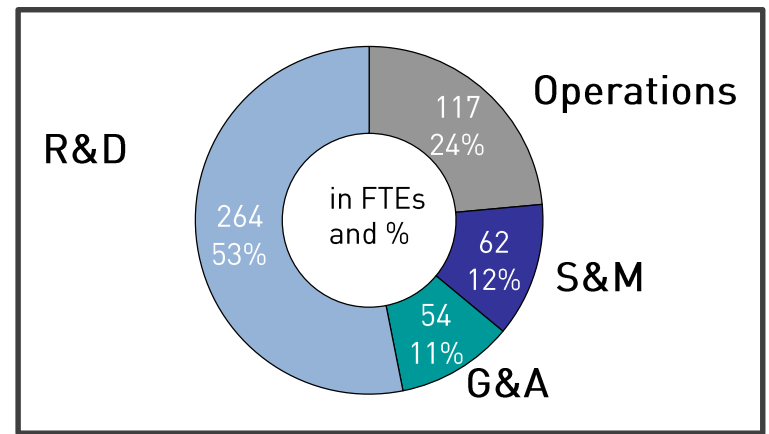
497 FTE AT THE END OF JUNE 2018

FTE EVOLUTION



- +4 FTE vs 31/12/2017, but -10 vs 31/3/2018
- Strict management of resources and short term variations
- End 2018 expected to be around end 2017

Headcount 06/2018 (FTE)



STRONG CASH POSITION AND SEASONAL MOVEMENTS

In millions of EUR	June 2018	Dec. 2017
ASSETS		
Goodwill and intangibles	1.6	1.4
Lands and buildings	45.3	45.8
Investments at equity	1.2	1.1
Inventories	18.6	15.7
Receivables	21.8	33.1
Cash	39.6	39.4
Assets held for sale	3.7	4.0
Deferred tax assets	6.3	3.3
Other assets	8.9	9.1
Total assets	147.0	152.9
EQUITY AND LIABILITIES		
Total equity	109.7	105.3
Non-current liabilities	6.7	10.6
Short term portion of financial debt	5.3	5.3
Trade payables	4.7	5.9
Income tax payable	1.8	8.9
Other current liabilities	18.8	16.9
Total equity and liabilities	147.0	152.9

- ▶ **NET CASH POSITION:**
 - ▶ EUR 27.6 million after final dividend payment in May
- ▶ **INVENTORIES:**
 - ▶ 2018 big events
- ▶ **TRADE RECEIVABLES:**
 - ▶ Down compared to end 2017 after a very strong sales at the end of 2017

STRONG CASH COLLECTION DUE TO HIGH 4Q17 SALES

CASH FLOW

In millions of EUR	1H18	1H17
Net profit, group share	10.6	9.1
Cash generated from operations	11.7	15.3
<i>Income taxes paid</i>	-1.4	-12.0
Net cash from operating activities	10.3	3.3
Net cash used in investing activities	-0.5	-0.8
Net cash used in financing activities	-9.9	-12.7
Cash & cash equivalents (beginning of period)	39.4	53.2
Cash & cash equivalents (end of period)	39.6	41.7

- ▶ IMPROVED WORKING CAPITAL DUE TO TRADE RECEIVABLES AND DESPITE INVENTORIES
 - ▶ Strong AR collection from high Q4 '17 invoicing
 - ▶ Higher inventories due to big events in 2018
- ▶ LOW TAX PAYMENTS DUE TO LOWER ANTICIPATED TAX PAYMENTS



AGENDA

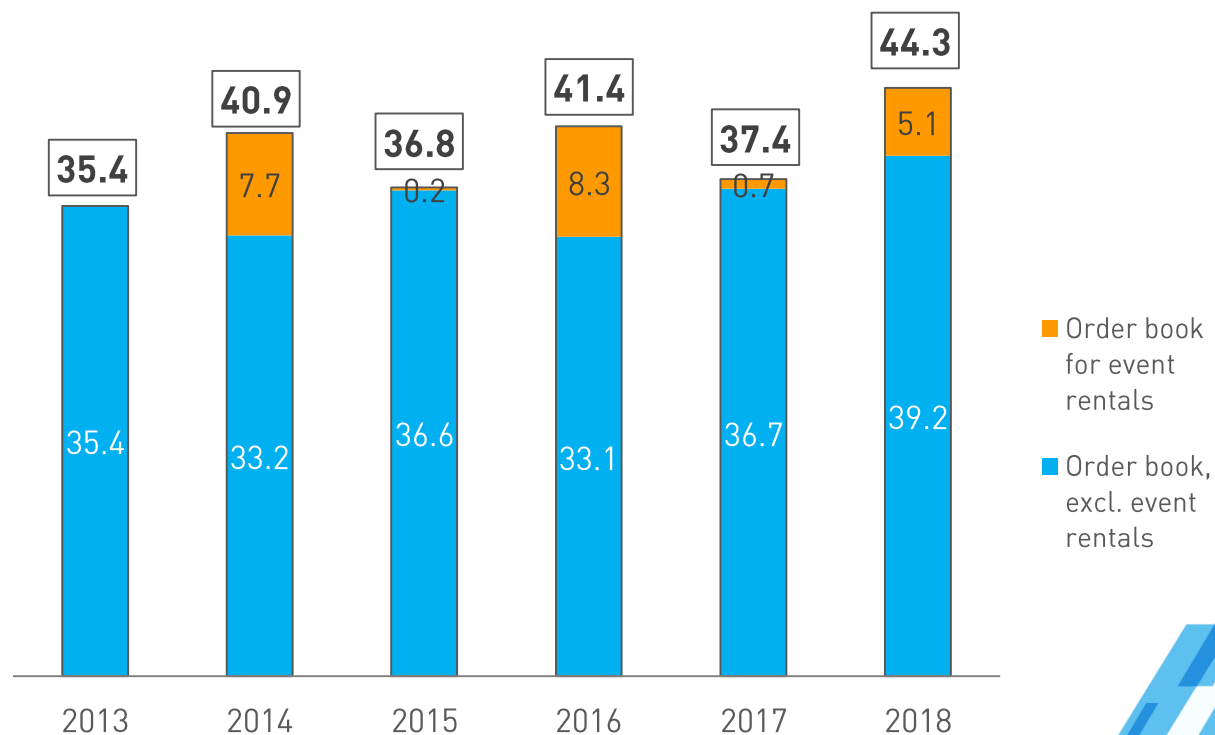
2Q 2018 review

Outlook

GIVEN BETTER ORDER BOOK, WE EXPECT STRONGER H2

+7.9% EXCL. BIG EVENT RENTALS

- ▶ Around 2/3 of the order book is expected to be recognized in revenue in 3Q18
- ▶ Includes EUR 5.1 million rentals for big events
- ▶ For 2019 and beyond: EUR 8.3 million



2018 GUIDANCE

- ▶ Expecting an acceleration of the business in 2H, we confirm the revenue guidance of EUR 115 million to EUR 130 million
 - ▶ XT-VIA should support sales in 2H
 - ▶ Good momentum on the new products
- ▶ We expect opex to grow moderately compared to 2017, on top of the structural salary increases in Belgium
- ▶ Innovation box: around EUR 10 million of tax deductions in FY18

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