

RESULTS Q1 2018

May 17, 2018



AGENDA

- ▶ 1Q 2018 review
- ▶ Business update
- ▶ Outlook

HIGHLIGHTS: LOW 1Q18 REVENUE DRIVING WEAK QUARTER

1Q18 KEY FIGURES

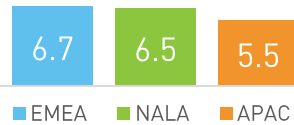
REVENUES

22.8m€
[-6.9% YoY]

OPEX

+11.5%
vs 1Q17

1Q18 REVENUES BY REGION (excl. big events)



EBIT

1.9M€
(8.1% EBIT margin)

EPS

0.16€

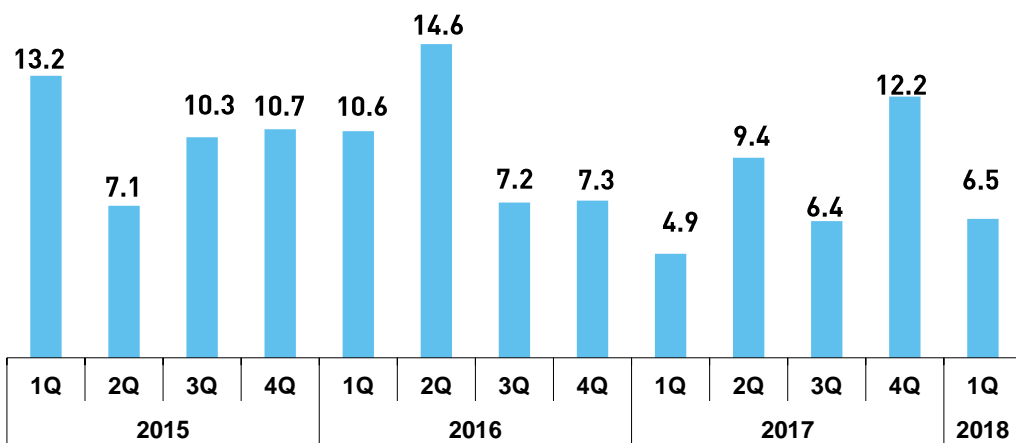
SOFT Q1 2018 WITH EUR 22.8 MILLION FOLLOWING STRONG Q4 2017



Q1 REVENUE: GEOGRAPHICAL SPLIT

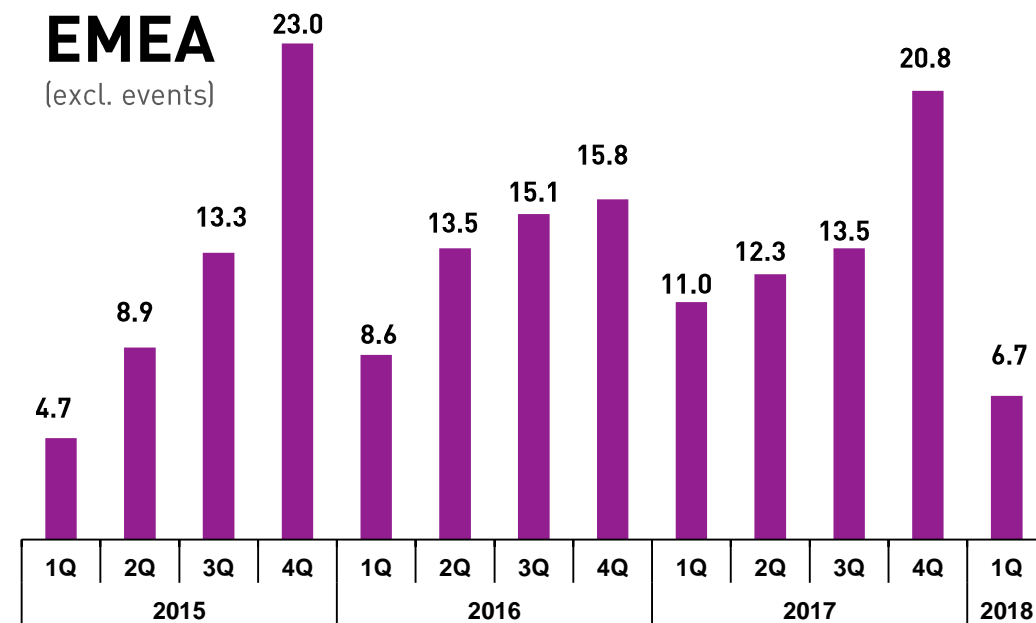
THE AMERICAS

(excl. events)



EMEA

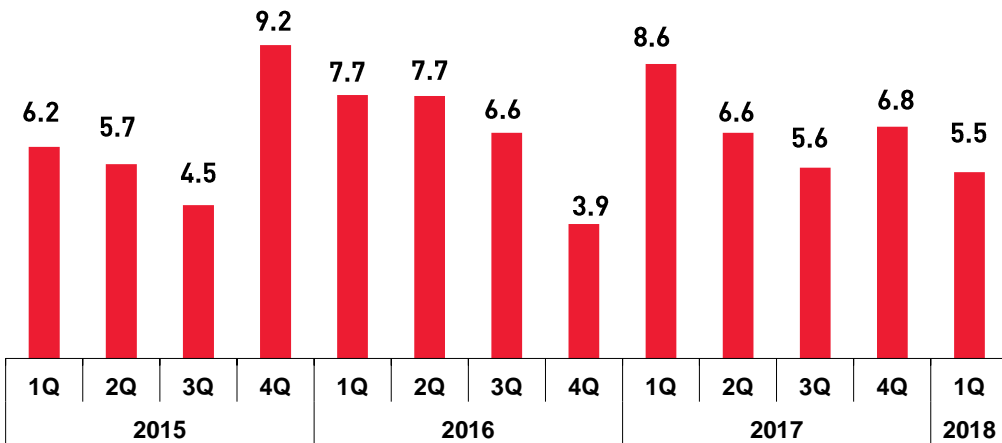
(excl. events)



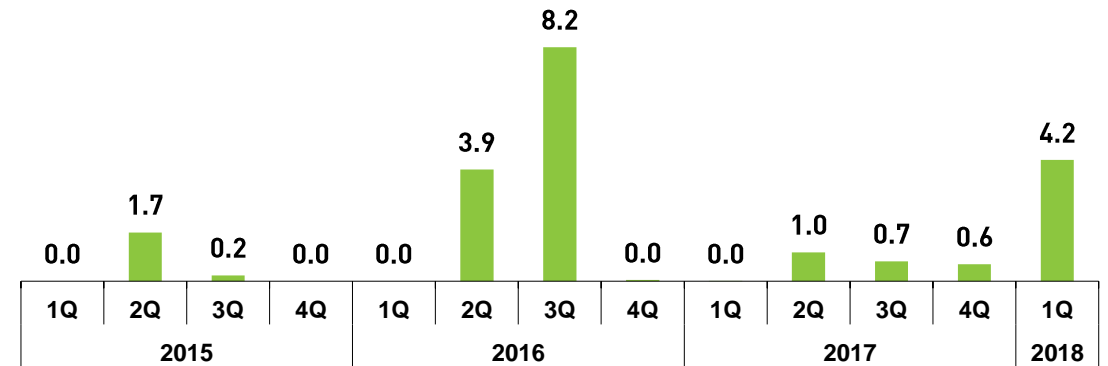
Q1 REVENUE: GEOGRAPHICAL SPLIT

APAC

(excl. Events)



BIG EVENT RENTALS



CONSOLIDATED INCOME STATEMENT 1Q 2018

| In millions of EUR | 1Q18 | 1Q17 |
|---------------------------------|-------------|--------------|
| REVENUE | 22.8 | 24.5 |
| Cost of sales | -7.1 | -7.3 |
| Gross margin | 15.7 | 17.2 |
| Gross margin % | 68.8% | 70.3% |
| S&A | -6.6 | -6.1 |
| R&D | -7.2 | -6.2 |
| EBIT | 1.9 | 4.9 |
| EBIT MARGIN | 8.1% | 20.1% |
| Financial result | -0.2 | -0.1 |
| Taxes | 0.5 | -1.3 |
| NET PROFIT | 2.1 | 3.6 |
| BASICS EPS ¹⁾ | 0.16 | 0.26 |

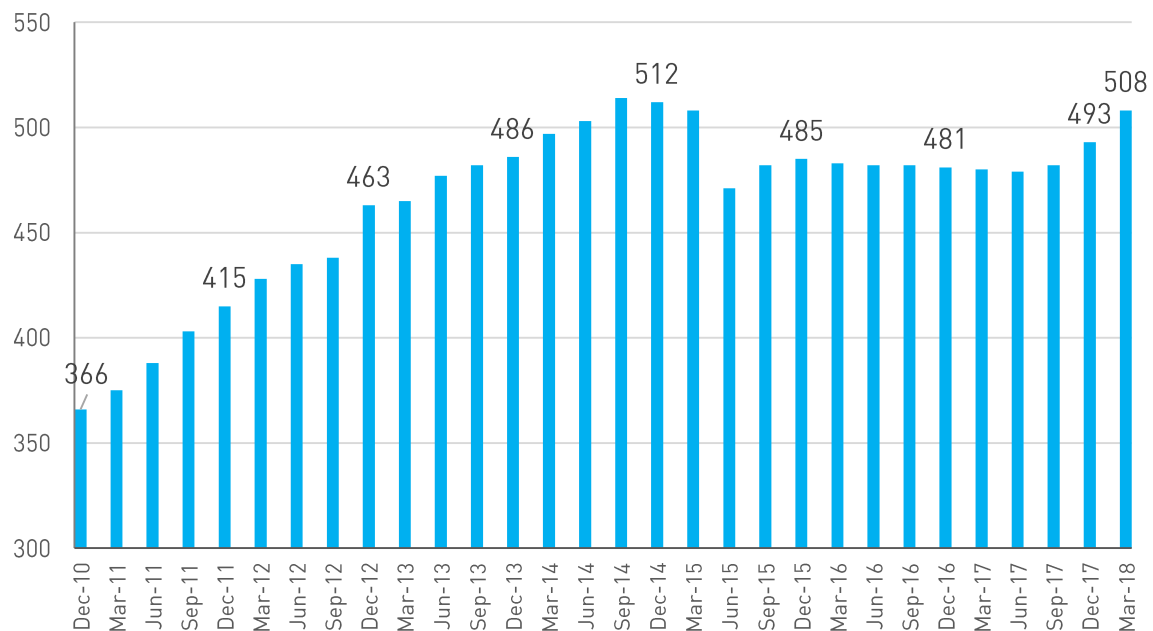
- ▶ Revenue: -6.9% yoy
- ▶ Gross margin: -8.8% yoy
 - Lower revenue
- ▶ OPEX: +11.5% yoy
 - R&D +15.3%: +21 FTE yoy as planned
 - SG&A +7.7% yoy
- ▶ EBIT margin: 8.1%
- ▶ Taxes (EUR 0.5 million vs EUR -1.3 million last year)
 - Loss in 1Q18 on EVS.be (0.8 m€ of DTA on the tax loss)
- ▶ EPS: 0.16€



FTE EVOLUTION AND COSTS ARE UNDER CONTROL

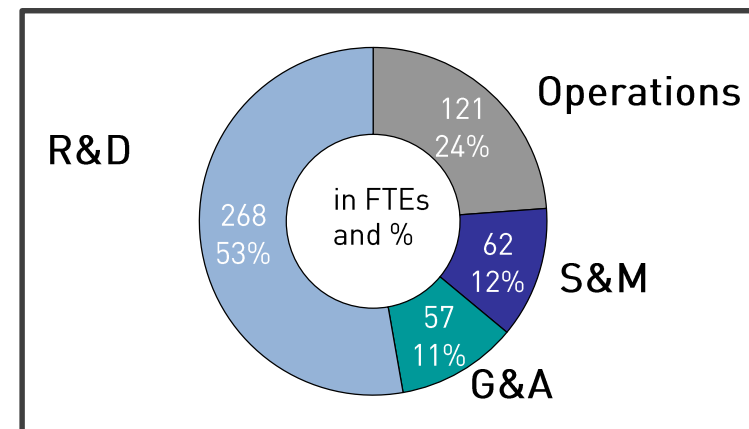
508 FTE AT THE END OF MARCH 2018

Headcount evolution (FTE)



- +15 FTE vs 31/12/2017 (mainly in R&D), as planned
- Recruitments should slow down again
- Average 501 FTE in 1Q18

Headcount 03/2018 (FTE)



STRONG CASH POSITION AND SEASONAL MOVEMENTS

| In millions of EUR | March 2018 | Dec. 2017 |
|--------------------------------------|--------------|--------------|
| ASSETS | | |
| Goodwill and intangibles | 1.4 | 1.4 |
| Lands and buildings | 45.4 | 45.8 |
| Investments at equity | 1.1 | 1.1 |
| Inventories | 17.9 | 15.7 |
| Receivables | 23.4 | 33.1 |
| Cash | 48.2 | 39.4 |
| Assets held for sale | 4.0 | 4.0 |
| Deferred tax assets | 4.3 | 3.3 |
| Other assets | 10.2 | 9.1 |
| Total assets | 155.9 | 152.9 |
| EQUITY AND LIABILITIES | | |
| Total equity | 107.5 | 105.3 |
| Non-current liabilities | 9.6 | 10.6 |
| Short term portion of financial debt | 5.3 | 5.3 |
| Trade payables | 5.9 | 5.9 |
| Income tax payable | 9.2 | 8.9 |
| Other current liabilities | 18.4 | 16.9 |
| Total equity and liabilities | 155.9 | 152.9 |

- ▶ **NET CASH POSITION:**
 - ▶ EUR 33.3 million
- ▶ **INVENTORIES:**
 - ▶ Preparing for 2018 big events (comparable to 1Q16)
- ▶ **TRADE RECEIVABLES:**
 - ▶ Down after a very strong sales at the end of 2017

STRONG CASH COLLECTION DUE TO HIGH 4Q17 SALES

CASH FLOW

| In millions of EUR | 1Q18 | 1Q17 |
|--|-------------|-------------|
| Net profit, group share | 2.1 | 3.6 |
| Cash generated from operations | 10.5 | 8.7 |
| <i>Income taxes paid</i> | -0.2 | -7.2 |
| Net cash from operating activities | 10.3 | 1.5 |
| Net cash used in investing activities | -0.3 | -0.5 |
| Net cash used in financing activities | -1.0 | -1.0 |
| Cash & cash equivalents (beginning of period) | 39.4 | 53.2 |
| Cash & cash equivalents (end of period) | 48.2 | 53.0 |

- ▶ IMPROVED WORKING CAPITAL DUE TO TRADE RECEIVABLES AND DESPITE INVENTORIES
 - ▶ Strong AR collection from high Q4 '17 invoicing
 - ▶ High inventories preparing for big events in 2018
- ▶ LOW TAX PAYMENTS DUE TO POSTPONED DEADLINE FOR THE FY16 TAX RETURN IN BELGIUM



AGENDA

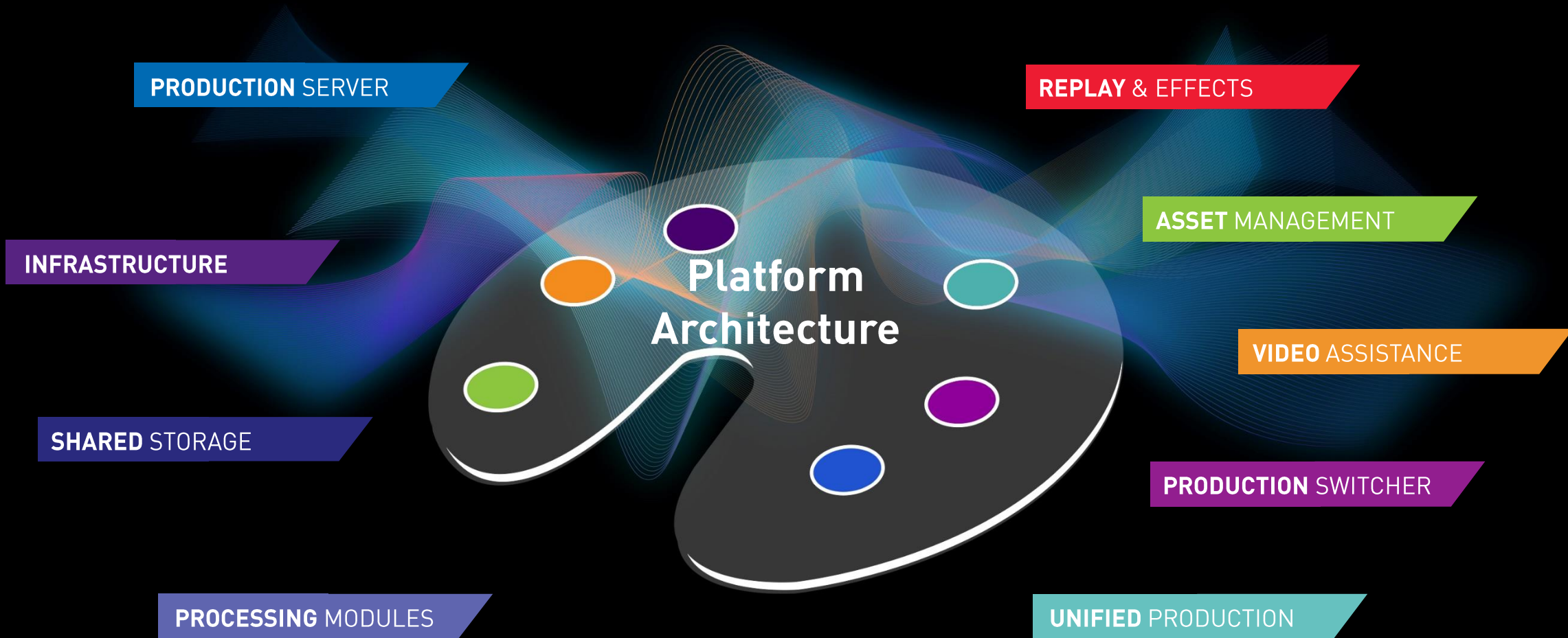
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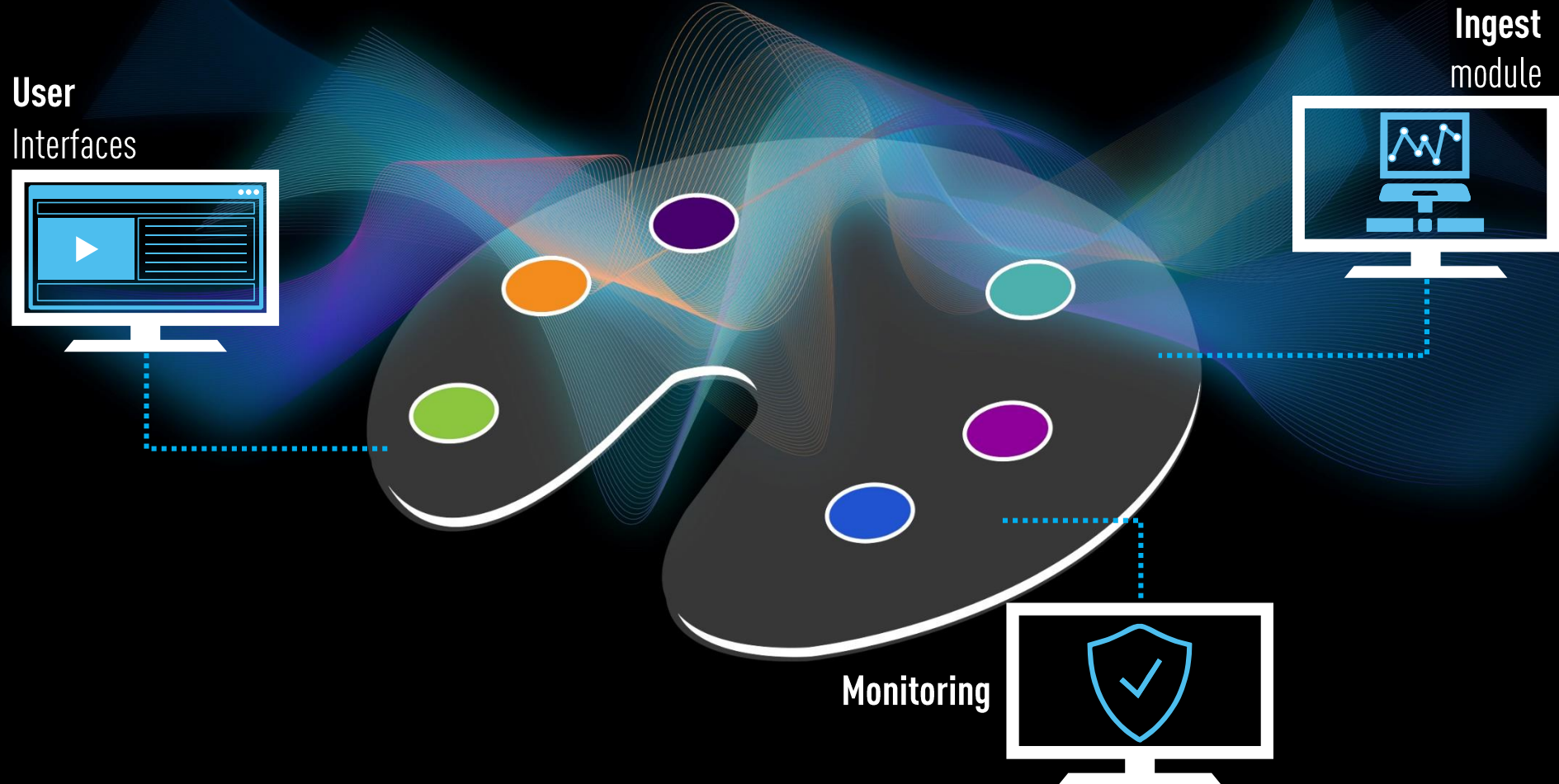
EVS VISION

“Deliver the heart of live content production ecosystem”

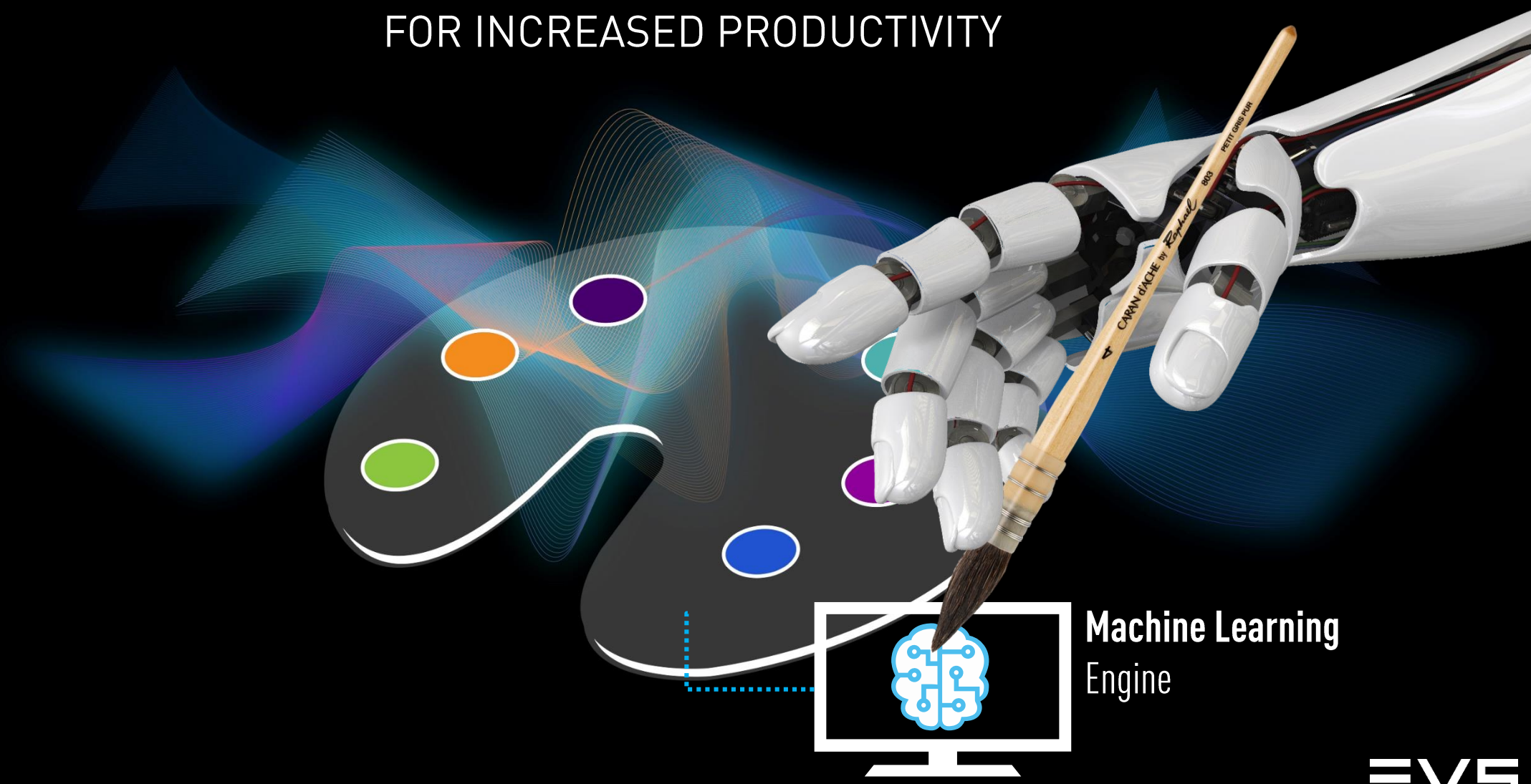


MODULAR MICRO-SERVICES

FOR MAXIMUM CONSISTENCY AND RE-USE ACROSS PRODUCTS

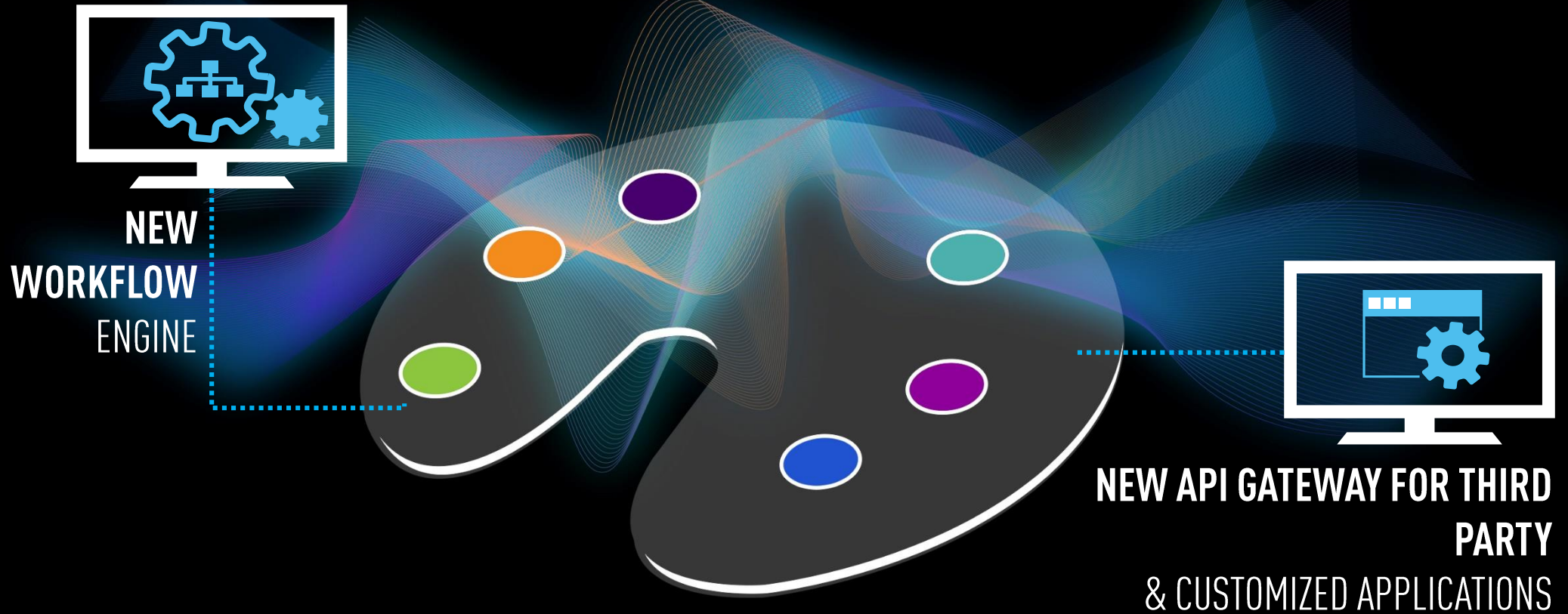


ARTIFICIAL INTELLIGENCE FOR INCREASED PRODUCTIVITY

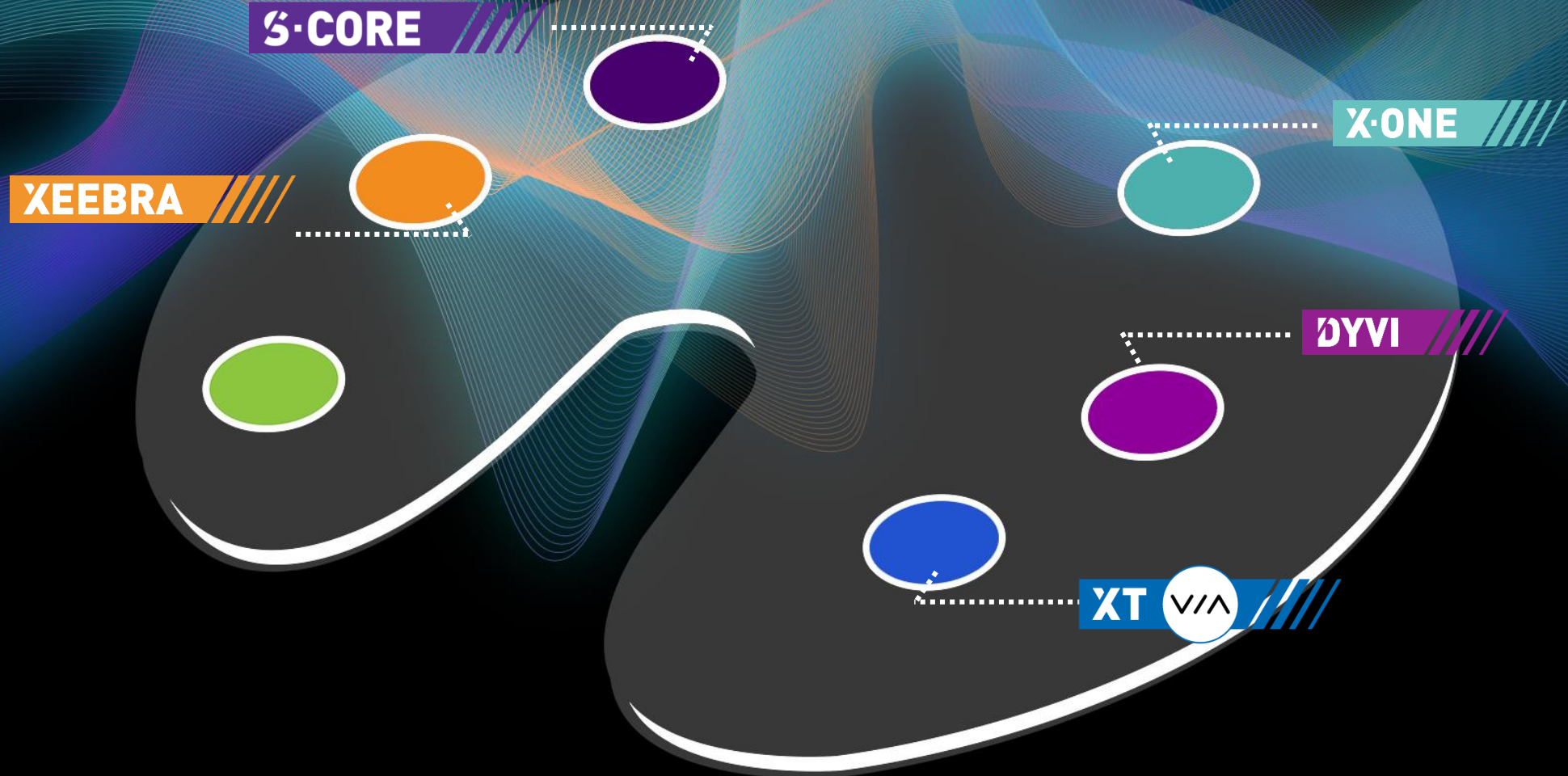


**Machine Learning
Engine**

CENTRAL API GATEWAY & WORKFLOW ENGINE FOR BROADER & CUSTOMIZED SOLUTIONS



NEW FOUNDATION FOR ALL NEW EVS PRODUCTS



XT 

/ 6CH UHD-4K (2160p)

/ +12 CHANNELS OF FHD (1080p)

/ +12 CHANNELS OF HD (720p/1080i)

/ HDR SUPPORT

/ NEW PROXY H.264

4K
UHD

Full HD
1080p

HDR

H.264

BOOSTED DENSITY



EV5

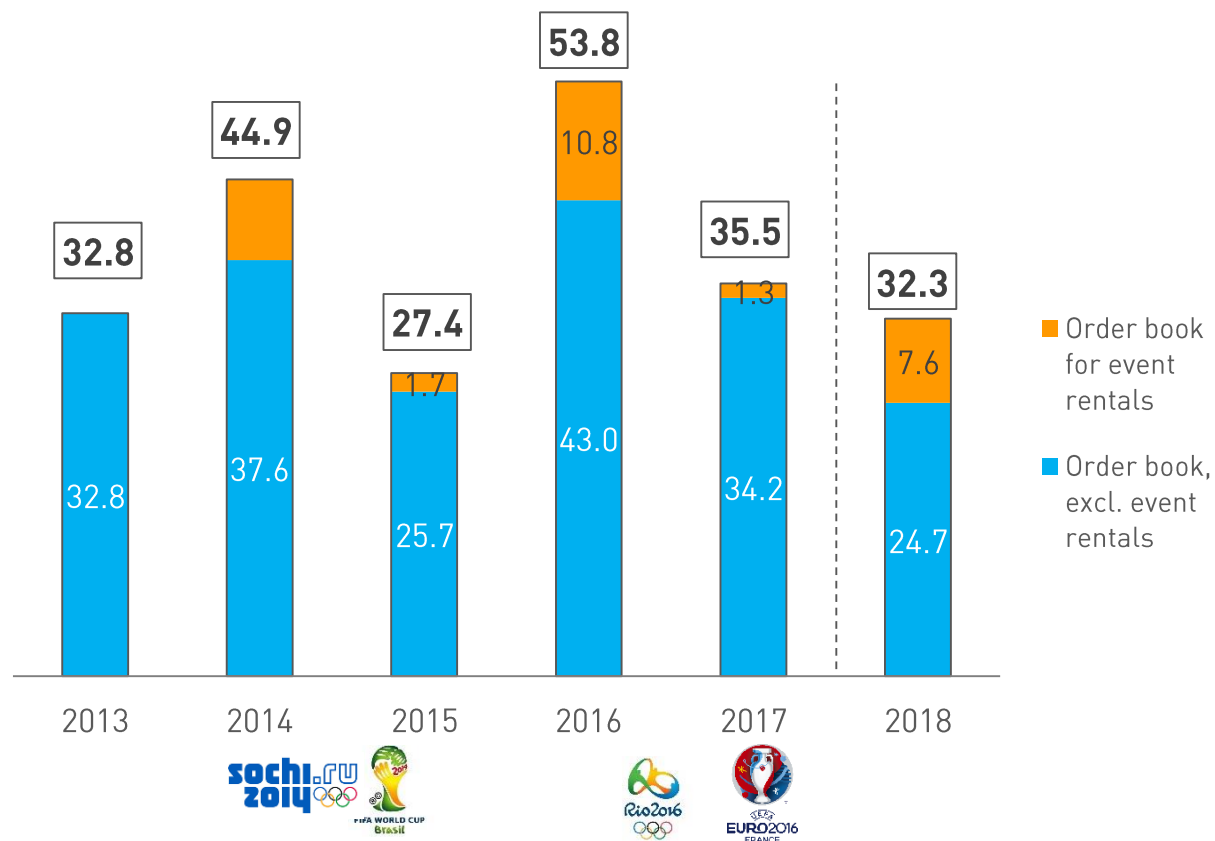
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ORDER BOOK OF EUR 32.3 MILLION AS OF MAY 10, 2018

-9.0% (-27.8% EXCL. BIG EVENT RENTALS)

- ▶ Around 55% of the order book is expected to be booked in revenue in 2Q18
- ▶ 50% of the EUR 32.3 million order book is studio related
- ▶ Includes EUR 7.6 million rentals for big events
- ▶ For 2019 and beyond: EUR 6.6 million



2018 GUIDANCE

- ▶ Revenue is expected to be between EUR 115 million to EUR 130 million
 - Soft start of the year – May 10 order book implies a soft 2Q18
 - Increasing momentum around new products
 - XT-VIA should support sales in 2H18
- ▶ We expect opex to grow moderately compared to 2017, on top of the structural salary increases in Belgium.
- ▶ Following the tax reforms in Belgium and the US, we expect a decrease of the consolidated effective tax rate by approximately 2 percentage points (all other things staying equal, to be fine-tuned depending on the actual level of the revenue and the effective geographical mix).



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