

# EVS Broadcast Equipment

3Q15 results

November 13, 2015

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## FORWARD LOOKING INFORMATION

The statements made in this presentation that are not historical facts contain forward-looking information that involves risks and uncertainties. All statements, other than statements of historical fact, which address EVS Group's ("EVS", "the Group" or the "Company") expectations, should be considered as forward-looking statements. Such statements made by EVS are based on knowledge of the environment in which it currently operates, but because of factors beyond its control, actual results may differ materially from the expectations expressed in the forward-looking statements. Important factors that may cause actual results to differ from anticipated results include, but are not limited to, financing risk, acquisition risk, changes in technology, and other risks as outlined in the filings with securities regulators and can also be found at [www.evs.com](http://www.evs.com).

## 9M 2015 HIGHLIGHTS

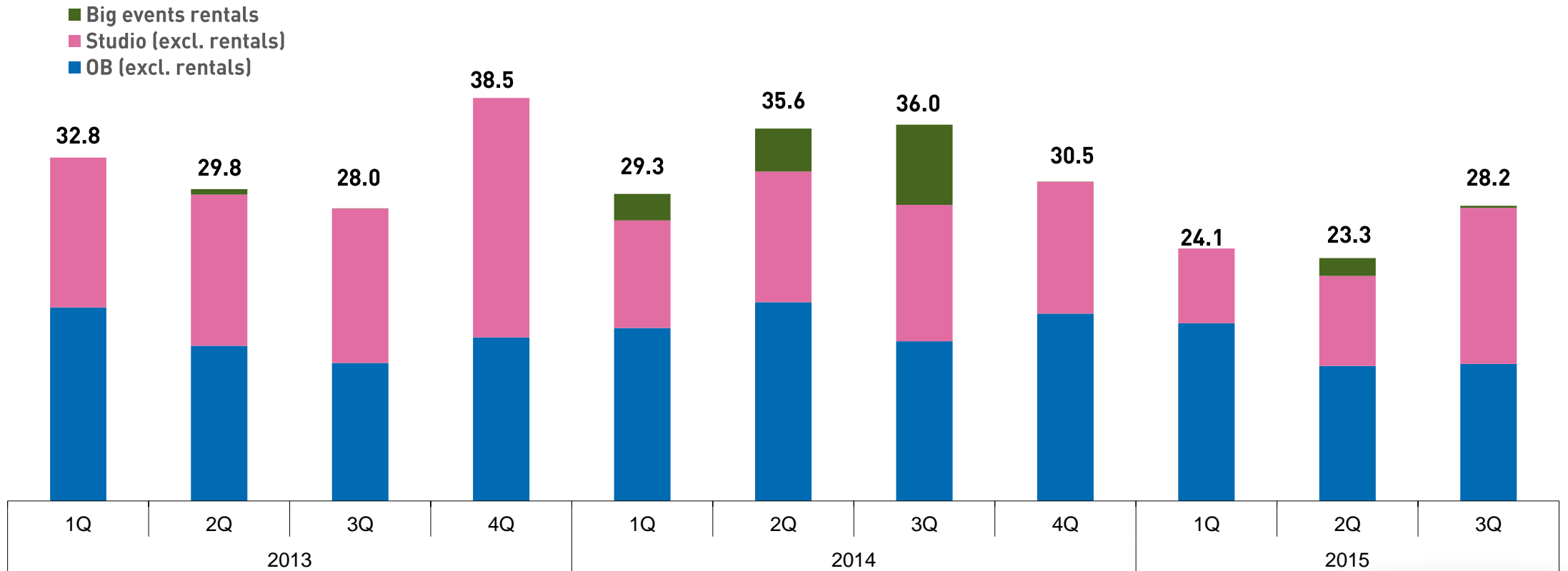
- ▶ 9M 2015:
  - 2H15 revenue higher than 1H15
    - as expected, some shift of business from 1H15 to 2H15
    - announcement of XT2 end of life at the end of 2015 generates upgrades to XT3
    - no real improvement in market conditions (macro and technology transitions)
  - Costs still under control
  
- ▶ FY15 Outlook
  - Strong order book
  - Guidance upgrades
  
- ▶ Appointment of Patrick TILLIEUX and Martin DE PRYCKER at the Board of Directors level

# AGENDA

- ▶ 3Q15 & 9M15 review
- ▶ Outlook
- ▶ Annexes

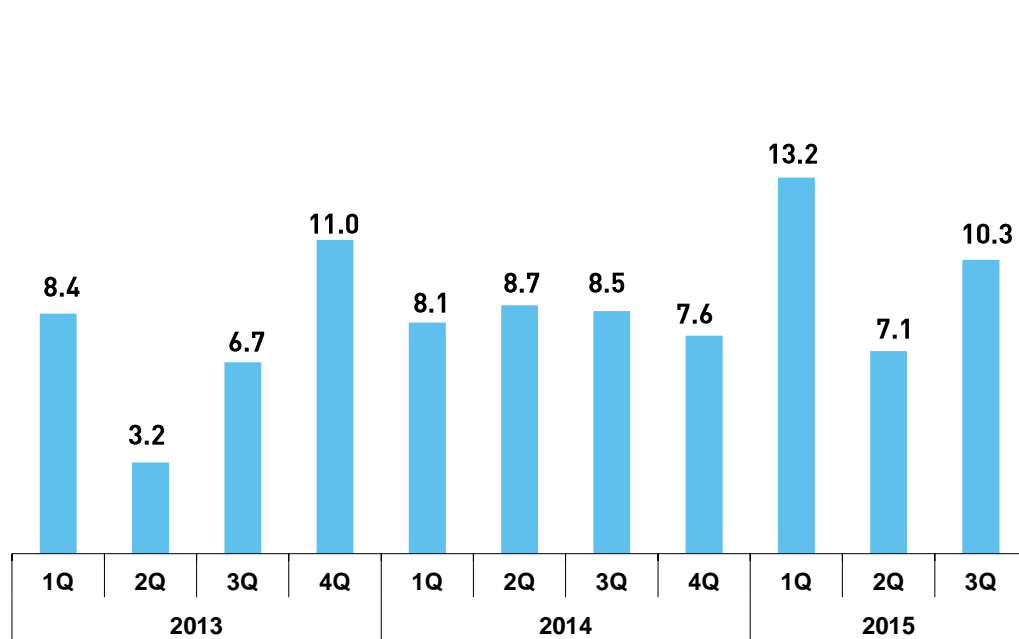
## Q3 REVENUE: EUR 28.2 million

3Q15: OB -14.4%, studio +14.5% compared to 3Q14



# Q3 REVENUE: GEOGRAPHICAL SPLIT

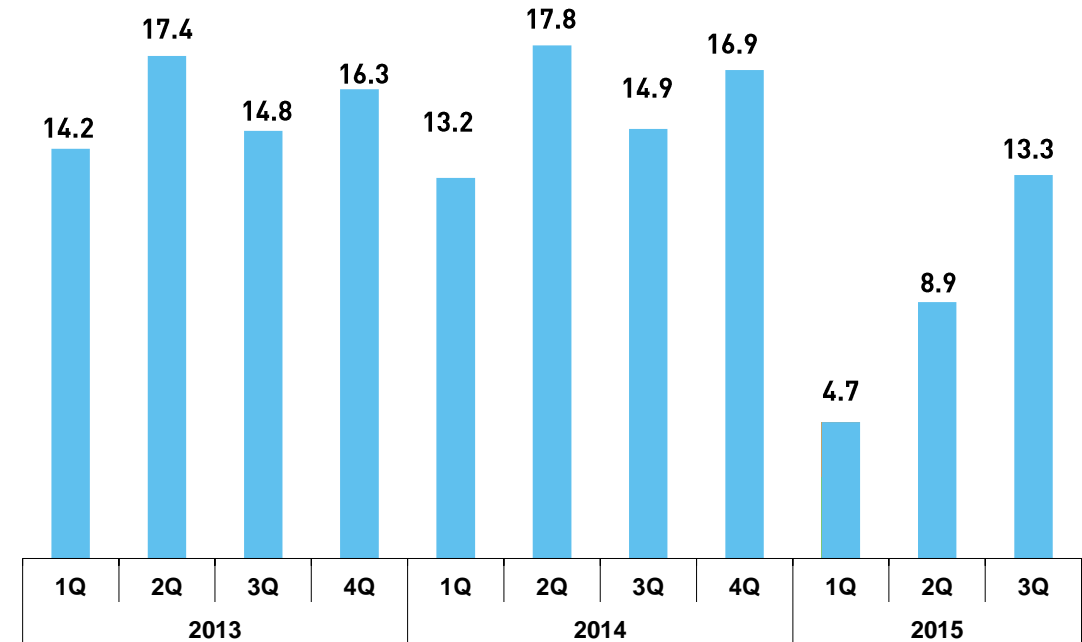
## Americas (excl. events)



Revenue 9M15: EUR 30.5 million

- 0.8% vs 9M14 at cst currency, excl. big events

## EMEA (excl. events)

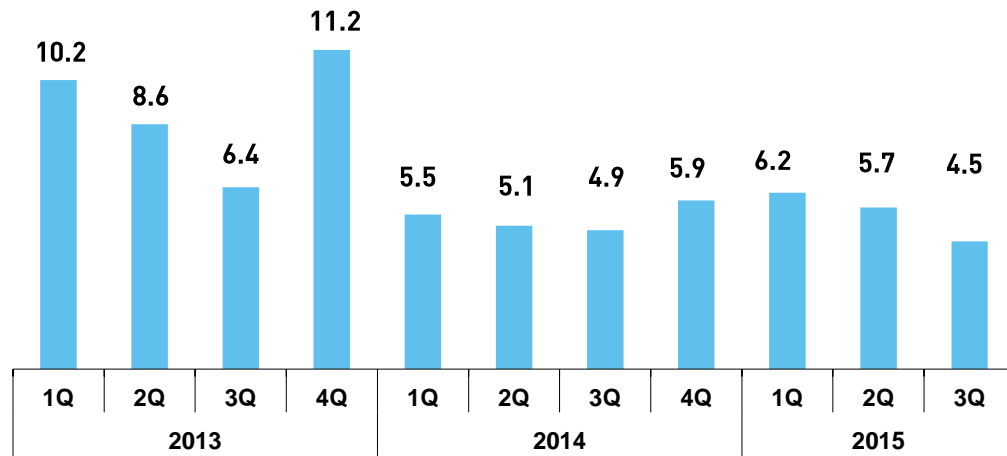


Revenue 9M15: EUR 26.8 million

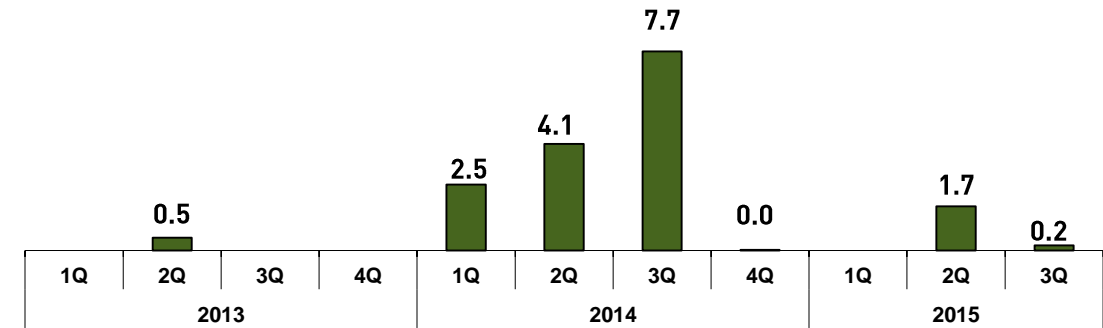
- 41.5% vs 9M14 at cst currency, excl. big events

# Q3 REVENUE: GEOGRAPHICAL SPLIT

## APAC (excl. Events)



## Big event rentals



Revenue 9M15: EUR 16.4 million

- +6.2% vs 9M14 at cst currency, excl. big events

## 3Q15: REVENUE DOWN BY 21.6%

Reported

In millions of EUR	3Q15	3Q14
<b>REVENUE</b>	<b>28.2</b>	<b>36.0</b>
Cost of sales	(8.5)	9.0)
Gross margin	19.8	26.9
Gross margin %	70.0%	74.9%
S&A	(6.6)	(6.3)
R&D	(5.8)	(6.1)
<b>EBIT</b>	<b>7.2</b>	<b>14.3</b>
<b>EBIT MARGIN</b>	<b>25.6%</b>	<b>39.8%</b>
Financial result	(0.2)	0.7
Companies at equity	0.0	0.1
Taxes	(2.3)	(4.1)
<b>NET PROFIT</b>	<b>4.8</b>	<b>11.3</b>
<b>BASICS EPS <sup>1)</sup></b>	<b>0.36</b>	<b>0.84</b>

- ▶ Gross margin:
  - Lower sales (leverage effect on fixed costs)
  - New building
  - Product mix
  
- ▶ Opex: -0.2% in 3Q15
  - + Cost control
  - Exchange rates
  - Depreciation on the new building
  
- ▶ EBIT margin of 25.6%
  
- ▶ EPS : EUR 0.36

1) Basic EPS is computed on the adjusted number of shares, i.e. less own shares



# 9M15

Reported

In millions of EUR	9M15	9M14
<b>REVENUE</b>	<b>75.6</b>	<b>100.9</b>
Cost of sales	(23.1)	(25.3)
Gross margin	52.5	75.6
Gross margin %	69.4%	74.9%
S&A	(19.5)	(18.5)
R&D	(17.9)	(18.6)
<b>EBIT</b>	<b>14.6</b>	<b>37.2</b>
<b>EBIT MARGIN</b>	<b>19.3%</b>	<b>36.9%</b>
Financial result	0.1	0.7
Companies at equity	0.1	0.3
Taxes	(4.5)	(11.8)
<b>NET PROFIT</b>	<b>10.3</b>	<b>27.3</b>
<b>NET PROFIT FROM OPS</b>	<b>10.8</b>	<b>28.3</b>
<b>BASICS EPS <sup>1)</sup></b>	<b>0.76</b>	<b>2.02</b>

1) Basic EPS is computed on the adjusted number of shares, i.e. less own shares

- ▶ Gross margin:
  - + Product mix
  - Lower sales
  - Write-offs
  
- ▶ Opex: +0.8% in 9M15 (-2.5% at cst currency)
  - + Cost control
  - Exchange rates (but positive effect on revenues)
  
- ▶ EBIT margin of 19.3%
  
- ▶ EPS : EUR 0.76



# STRONG BALANCE SHEET

EUR 19.9 million cash – Interim dividend of EUR 0.50

In millions of EUR	Sept. 2015	Dec. 2014
<b>ASSETS</b>		
Goodwill and intangibles	1.6	1.5
Lands, buildings and other tangibles	51.4	47.9
Investments at equity	0.9	0.8
Bonds & loans	-	6.5
Inventories	15.0	15.4
Receivables	28.3	28.2
Cash	19.9	25.6
Assets held for sale	5.1	6.4
Other assets	6.4	7.4
<b>Total assets</b>	<b>128.6</b>	<b>139.7</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity	71.4	73.5
Non-current liabilities	25.0	29.7
Short term portion of financial debt	5.0	7.1
Trade payables	3.7	5.2
Other current liabilities	23.5	24.2
<b>Total equity and liabilities</b>	<b>128.6</b>	<b>139.7</b>

- ▶ Investments in the new HQ reflected in:
  - EUR 51.4 million in Lands and Buildings
  - LT liabilities of EUR 25.0 million
  - Assets held for sale of EUR 5.1 million
  
- ▶ dcinex disposal reflected in Bonds and Loans
  
- ▶ Healthy cash level:
  - EUR 19.9 million
  - Interim dividend of EUR 0.50

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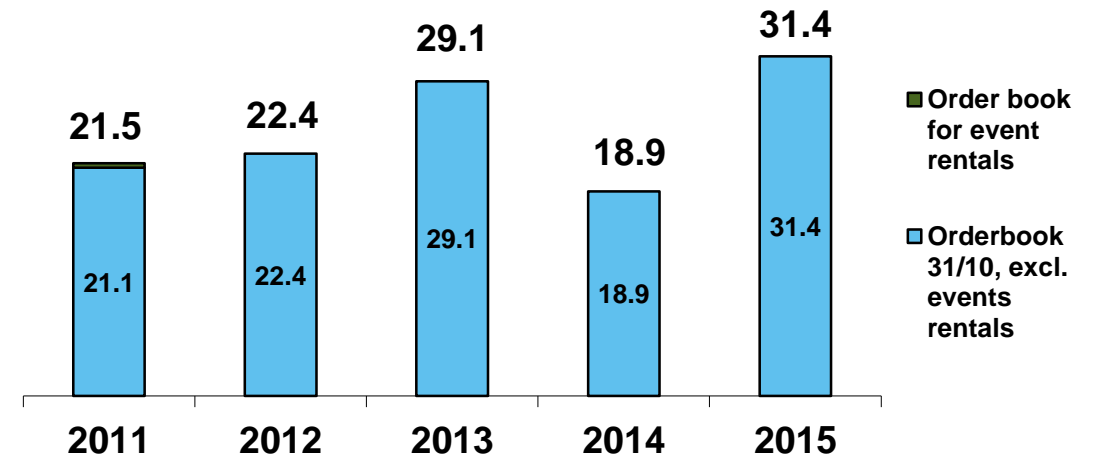
# OUTLOOK

## 2015 guidance

- Order book of EUR 31.4 million for 2015 at October 31
  - +66.1% excl. big event rentals
  - + EUR 13.7 m (incl. EUR 3.5m rentals for big events) for 2016 and beyond

- Continued slowdown in the market:
  - Macro-economic headwinds and longer investment cycles
  - More clarity needed on new technologies adoption

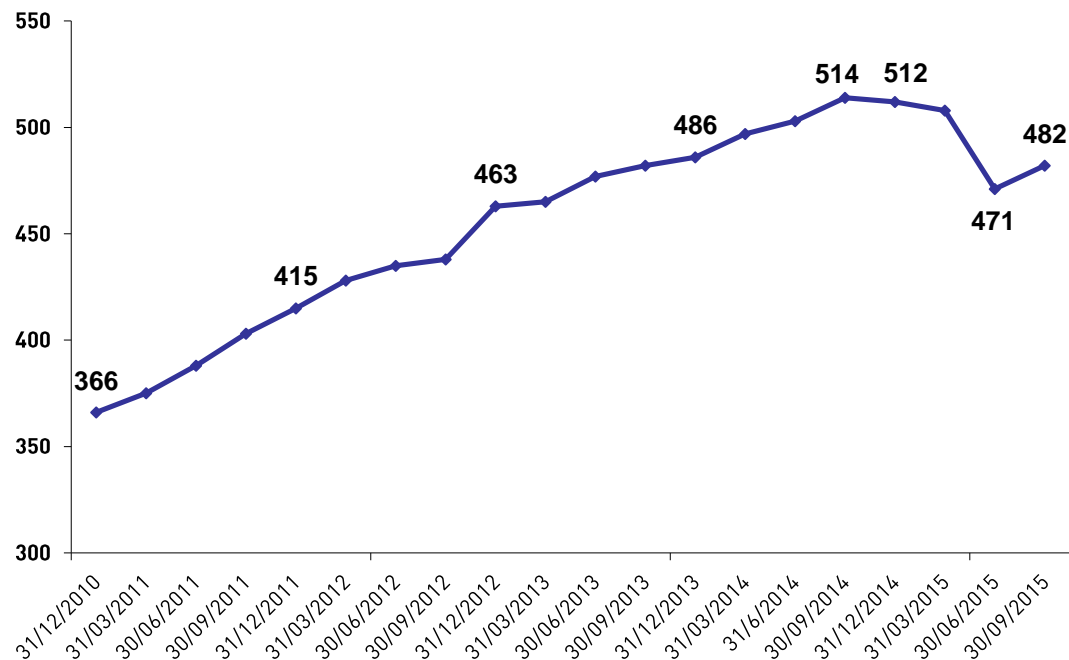
- Upgrade of 2015 guidance
  - 2015 revenue is likely to be in the EUR 110-115 million range
  - Supported by upgrades from XT2 to XT3
  - Opex is expected to grow at low single digit compared to 2014



# FTE EVOLUTION

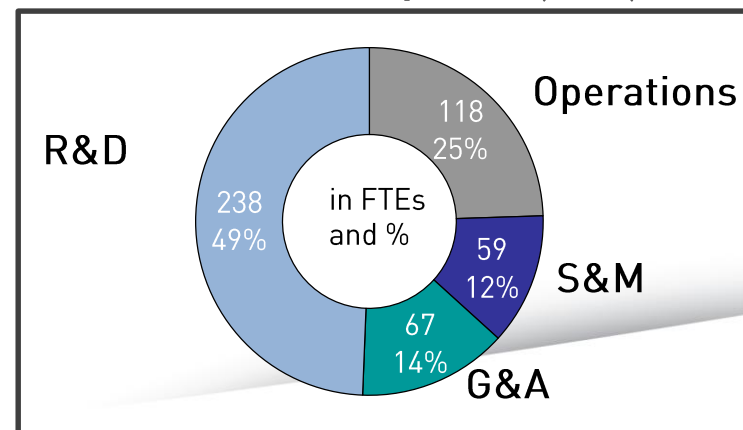
Net decrease expected in FY15

## Headcount evolution (FTE)



- 30 FTE vs 31/12/2014, including impact of closing of Chengdu, partially offset by some recruitment in Liège
- Average 491 FTE in 9M15 (-1.6% vs 9M14)
- Still 25 open position (incl. some relating to Chengdu closing)

## Headcount 09/2015 (FTE)



# NEW APPOINTMENTS IN THE BOARD OF DIRECTORS

## ▶ Patrick TILLIEUX - Independent Director (cooptation – will be confirmed at the next OGM)

- *Strong international profile – extended experience with broadcasters and broadcast technology vendors*
- Currently non executive Director within different broadcasters
- CEO of Red Bee Media (2012-2014)
- COO of ProSiebenSat1 Media AG (2007-2009)
- SBS Group (2001-2007): different executive functions including CEO SBS Broadcasting Europe
- Various management functions within broadcasters (1988-2001): Eurosport, TF1, RTL Nederland, Canal + Holland and Flanders)



## ▶ Martin DE PRYCKER – Board Observer (will be proposed as Independent Director at the next OGM)

- *Strong R&D and technology background – entrepreneurial mindset*
- Currently Managing Partner of Qbic Fund and Managing Director Innoconsult
- Currently non executive Director of Proximus, Newtec
- Founder & CEO Caliopa (2009-2013)
- CEO of Barco (2002-2009)
- Alcatel-Lucent (1985-2002): different functions including CTO



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## CORPORATE CALENDAR

- ▶ Monday November 23, 2015: interim dividend: ex-date
- ▶ Tuesday November 24, 2015: interim dividend: record date
- ▶ Wednesday November 25, 2015: interim dividend: payment date
  
- ▶ Thursday February 18, 2016: FY15 results
- ▶ Thursday May 12, 2016: 1Q16 results
- ▶ Tuesday May 17, 2016: Ordinary General Meeting
- ▶ Thursday August 25, 2016: 2Q16 results
- ▶ Thursday November 10, 2016: 3Q16 results



# CONTACT

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