

EVS Broadcast Equipment

2015 results

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www.evs.com



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.

AGENDA

- ▶ 2015 review
- ▶ Thoughts on 2016 & Outlook
- ▶ Annexes

EVS: A STRONG LEADER IN AN INDUSTRY IN TRANSITION

▶ FY15:

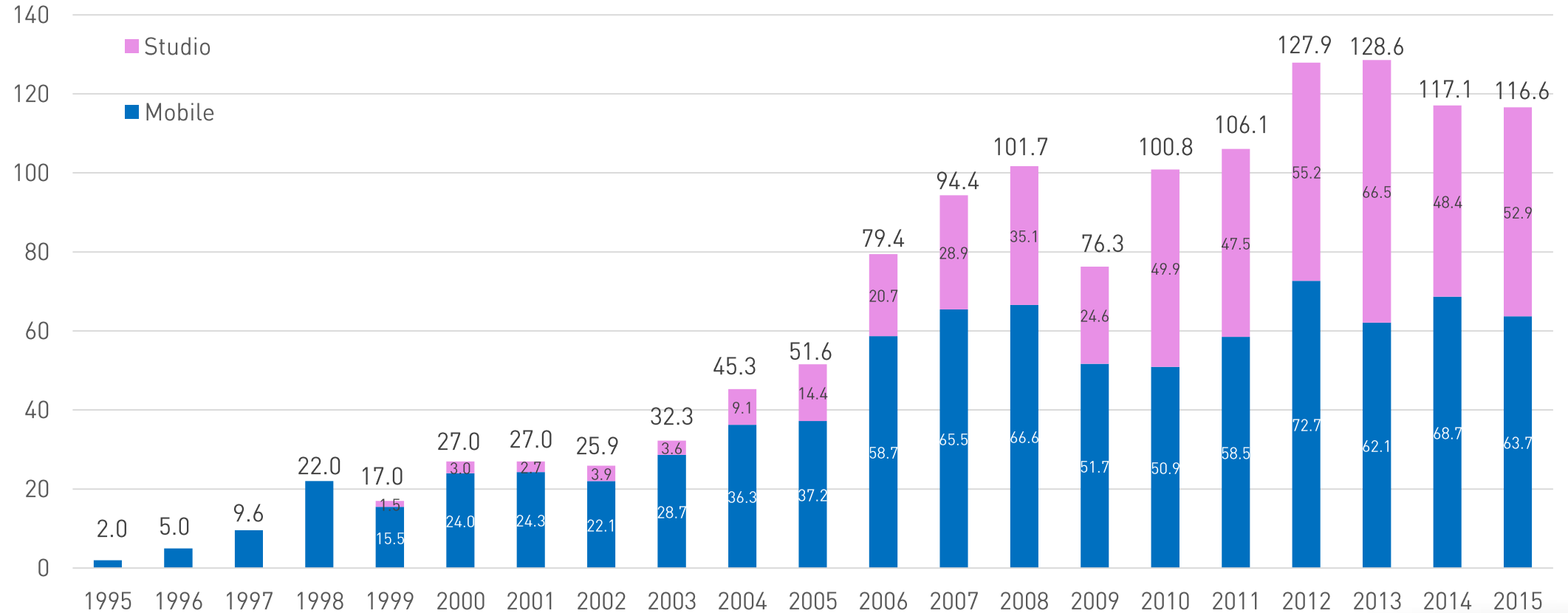
- FY15 revenue of EUR 118.5 million, above EUR 110-115 million guidance
- Strong 4Q15 revenue driven by releases of budgets around year-end after months of high cautiousness
 - Announcement of XT2 end of life at the end of 2015 generated incremental upgrades to XT3
 - Strong EMEA and APAC in 4Q15
- Challenging industry, but EVS confirmed as leader, as evidenced by
 - NEP deal
 - Presence on big events in 2016
- Costs under control, with opex up 1.6% YoY (-1.6% at cst rate)
- EBIT of EUR 32.7 million (EBIT margin of 27.6%)
- EPS of EUR 1.76 (incl. EUR 1.00 in 4Q15)

▶ FY16e:

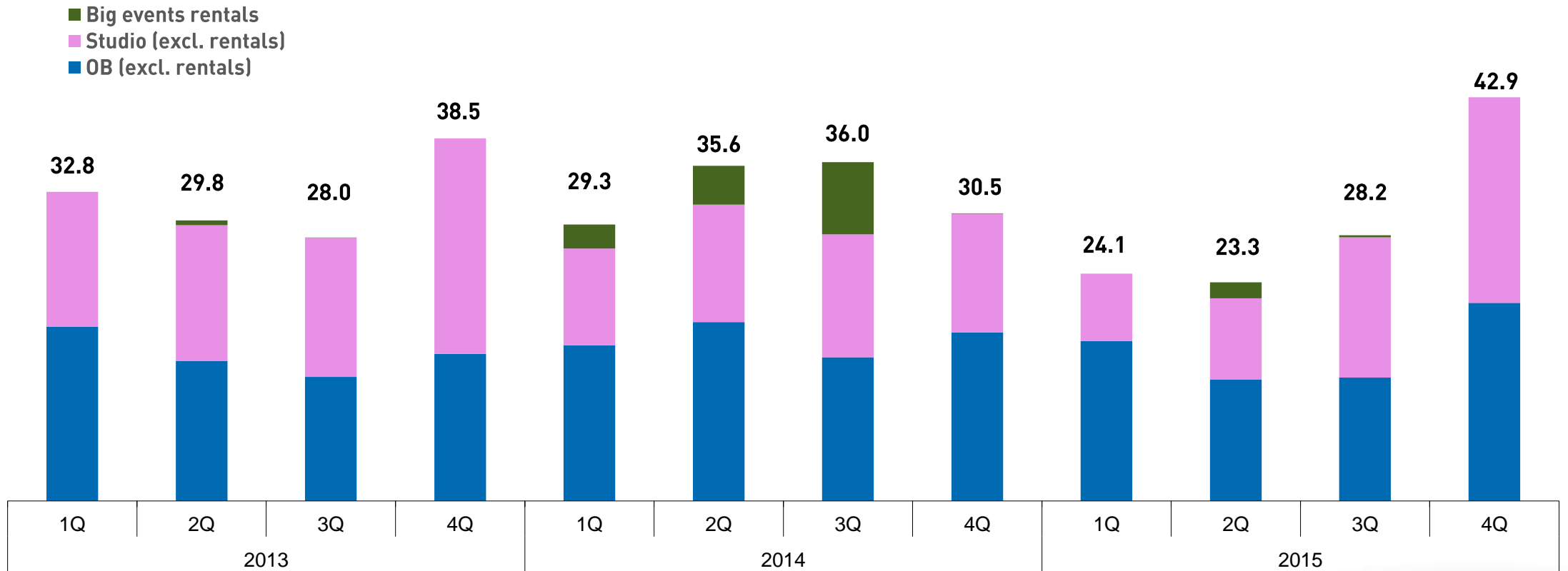
- Big event year (around EUR 10 million rentals)
- Industry remains in mutation
- Very strong order book of EUR 50.4 million as of February 15, 2016
- Controlled opex growth

STABLE REVENUE IN 2015, EXCL. BIG EVENTS

Evolution of revenue excl. big events

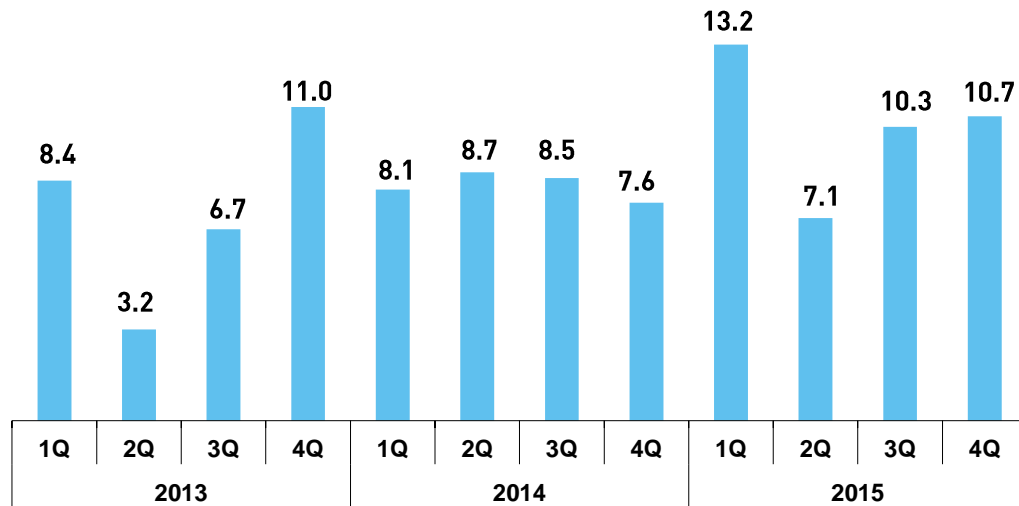


RECORD Q4 REVENUE: EUR 42.9 million



Q4 REVENUE: GEOGRAPHICAL SPLIT

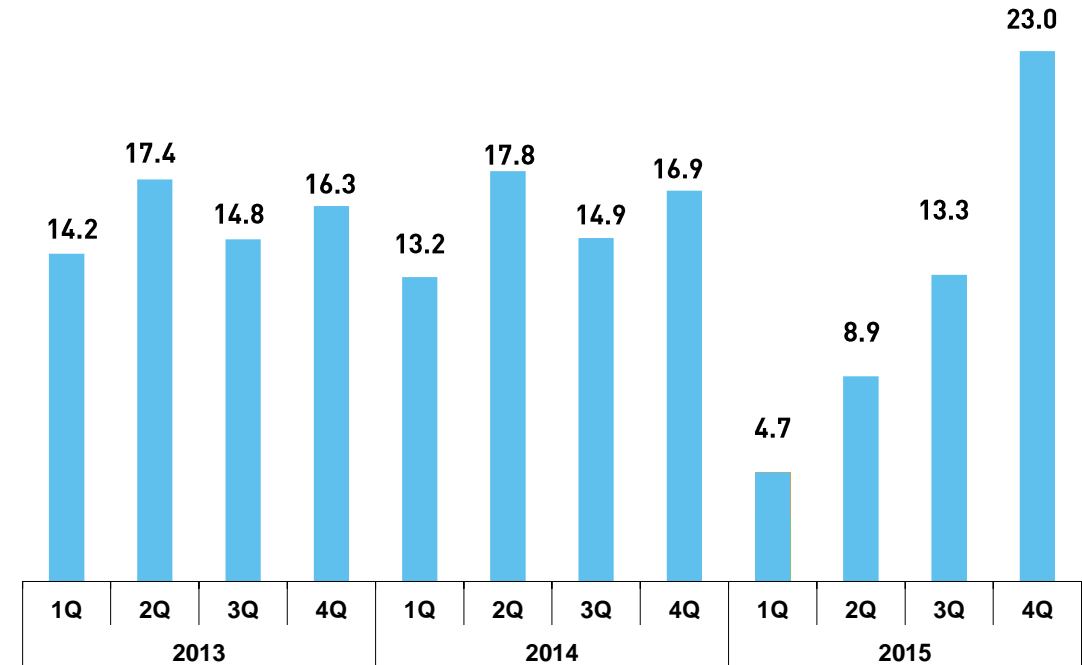
Americas (excl. events)



Revenue FY15: EUR 41.2 million

- +4.5% vs FY14 at cst currency, excl. big events

EMEA (excl. events)

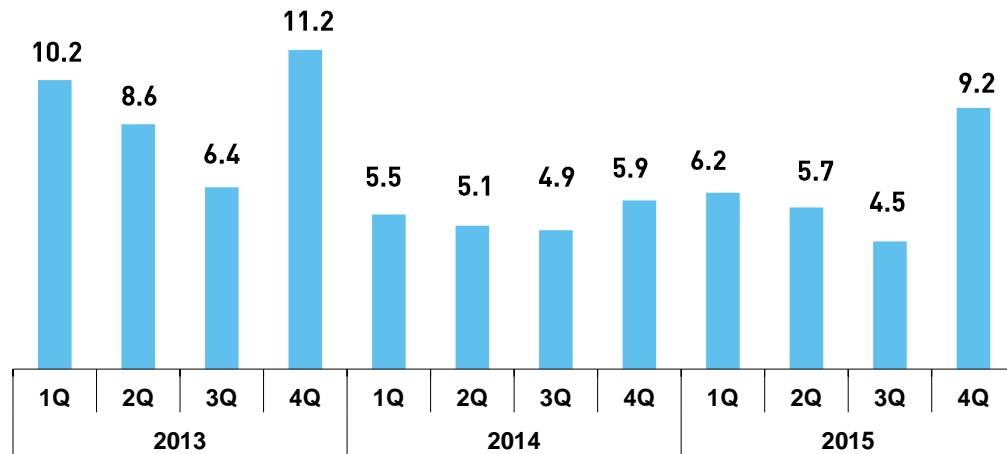


Revenue FY15: EUR 49.8 million

- 20.7% vs FY14 at cst currency, excl. big events

Q4 REVENUE: GEOGRAPHICAL SPLIT

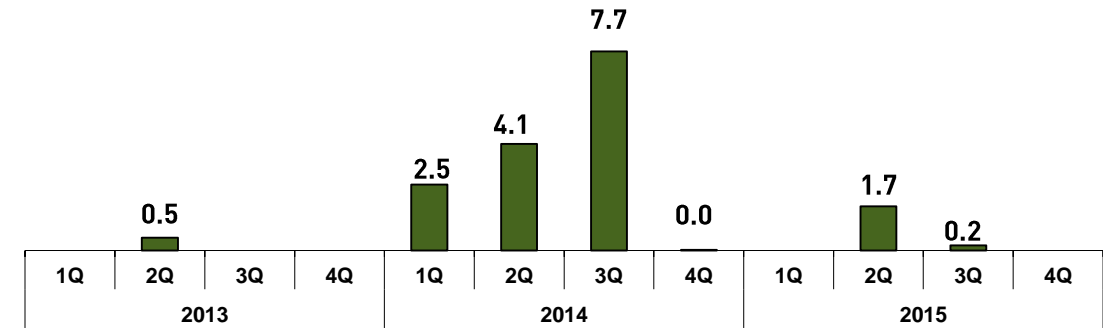
APAC (excl. Events)



Revenue FY15: EUR 25.6 million

- +19.9% vs FY14 at cst currency, excl. big events

Big event rentals



FY15

Reported

In millions of EUR	FY15	FY14
REVENUE	118.5	131.4
Cost of sales	-34.3	-33.6
Gross margin	84.2	97.8
Gross margin %	71.1%	74.5%
S&A	-26.6	-25.1
R&D	-24.5	-25.2
EBIT	32.7	46.1
EBIT MARGIN	27.6%	35.1%
Financial result	0.7	1.0
Companies at equity	0.1	1.9
Taxes	-9.8	-14.7
NET PROFIT	23.7	35.5
NET PROFIT FROM OPS	24.2	35.2
BASICS EPS ¹⁾	1.76	2.63

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

- ▶ Revenue:
 - + Positive effect from currency

- ▶ Gross margin:
 - Lower sales
 - Write-offs on inventories
 - New building (depreciation and move)
 - Negative effect from currency

- ▶ Opex: +1.6% in 2015 (-1.6% at cst currency)
 - + Reversal provision accounts receivable
 - New building (depreciation and move)
 - Negative effect from currency

- ▶ EBIT margin of 27.6%

- ▶ EPS : EUR 1.76



4Q15

Reported

In millions of EUR	4Q15	4Q14
REVENUE	42.9	30.5
Cost of sales	-11.1	-8.3
Gross margin	31,7	22.3
Gross margin %	74.0%	73.0%
S&A	-7.1	-6.6
R&D	-6.6	-6.6
EBIT	18.0	8.9
EBIT MARGIN	42.1%	29.1%
Financial result	0.6	0.3
Companies at equity	0.0	1.6
Taxes	-5.2	-2.9
NET PROFIT	13.4	8.3
NET PROFIT FROM OPS	13.4	6.9
BASICS EPS ¹⁾	1.00	0.61

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

► Gross margin:

- + Higher sales
- Write-offs on inventories
- New building
- Negative effect from currency

► Opex: +3.7% in 4Q15

- + Reversal provision on account receivable
- New building
- Negative effect from currency

► EBIT margin of 42.1%

► EPS : EUR 1.00



2015

At constant currency

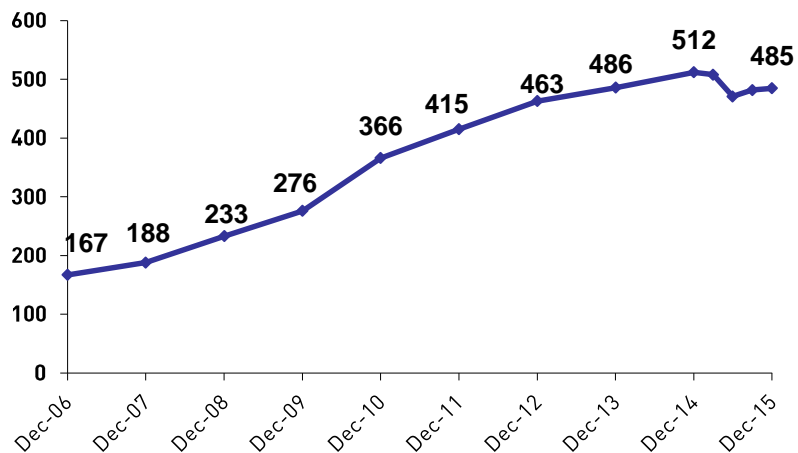
In millions of EUR	2015 Cst currency	2015 reported	2014
REVENUE	111.6	118.5	131.4
Cost of sales	-33.5	-34.3	-33.6
Gross margin	78.1	84.2	97.8
Gross margin %	70.0%	71.1%	74.5%
S&A	-25.2	-26.6	-25.1
R&D	-24.4	-24.5	-25.2
EBIT	28.1	32.7	46.1
EBIT MARGIN	25.2%	27.6%	35.1%

► Currency effect:

- + EUR 6.9 million on revenue
- EUR 0.8 million on gross margin
- EUR 1.5 million on opex

MORE EFFICIENT COST MANAGEMENT

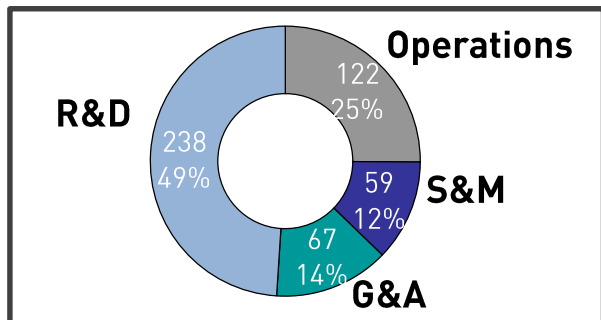
Headcount evolution (FTE)



Operating expenses (yoy evolution)



Headcount 12/2015 (FTE)



STRONG BALANCE SHEET

EUR 22.6 million cash

In millions of EUR	Dec. 2015	Dec. 2014
ASSETS		
Goodwill and intangibles	1.5	1.5
Lands and buildings	48.1	46.1
Investments at equity	0.9	0.8
Bonds & loans	-	6.5
Inventories	15.6	15.4
Receivables	36.3	28.2
Cash	22.6	25.6
Assets held for sale	5.1	6.4
Other assets	8.6	9.2
Total assets	138.5	139.7
EQUITY AND LIABILITIES		
Total equity	78.2	73.5
Non-current liabilities	23.6	29.7
Short term portion of financial debt	5.2	7.1
Trade payables	5.0	5.2
Other current liabilities	26.5	24.2
Total equity and liabilities	138.5	139.7

- ▶ Investments in the new HQ reflected in:
 - EUR 48.1 million in Lands and Buildings
 - LT financial liabilities of EUR 23.6 million
 - Assets held for sale of EUR 5.1 million

- ▶ Healthy cash level:
 - EUR 22.6 million

AGENDA

- ▶ 2015 review

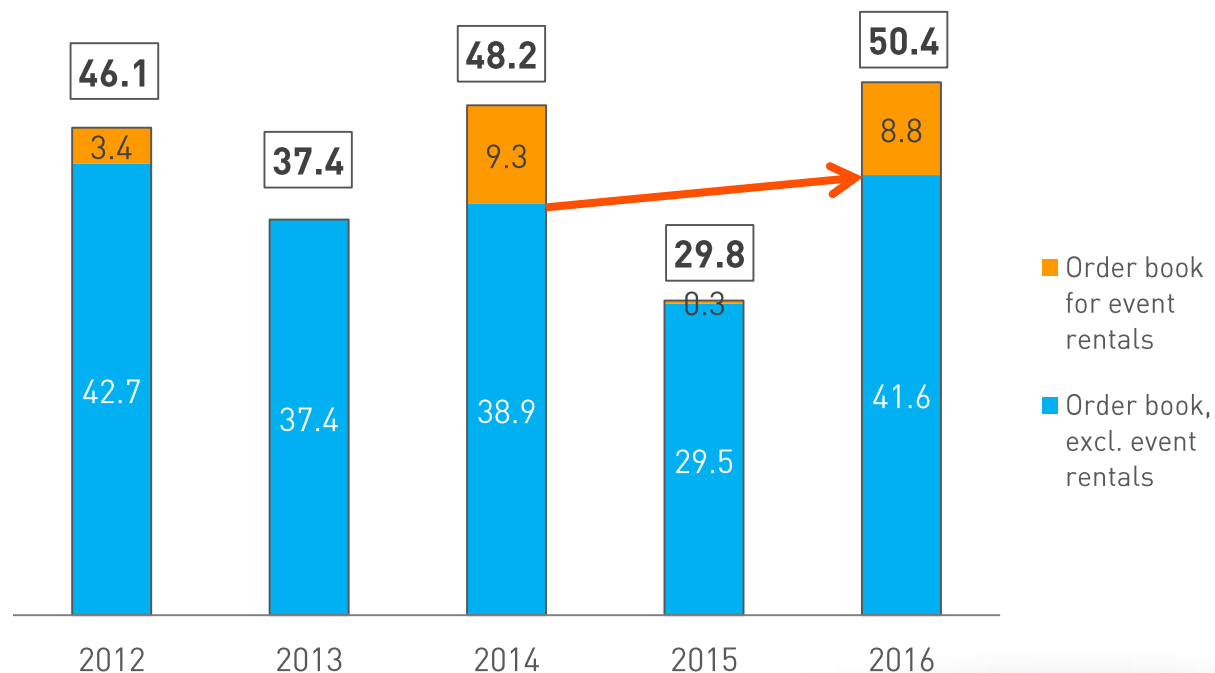
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OUTLOOK – ORDER BOOK AT FEBRUARY 15, 21016: EUR 50.4 MILLION

+4.6% compared to last even year

- Supported by upgrades from XT2 to XT3
- Around 2/3 of EUR 41.6 million order book to be invoiced on 1Q16
- Includes EUR 8.8 million rentals for big events, and the 2016 portion of the NEP contract
- For 2017 and beyond: EUR 12.2 million
 - Include 2017-2018 portion of NEP contract



NEP: RECORD CONTRACT FOR EVS

Securing the business with key customer for the coming years

- Multi-year contract (2016/2018)
- Upgrades of EVS servers
- Confirms trust of #1 player in live video production in EVS continuous leadership
- Contract valued slightly above USD 15 million
- Delivered over the 2016-2018 period



CASE STUDY

Super Bowl 50



► Bigger and bigger

- Record breaking audience 112 million viewers
- Record TV production
 - 50+ cameras on the field
- Record EVS contribution
 - 56 XT3 servers – 235 terrabytes of content controlled with IPDirector
 - 4K replay and zooming
 - 30+ EVS operators



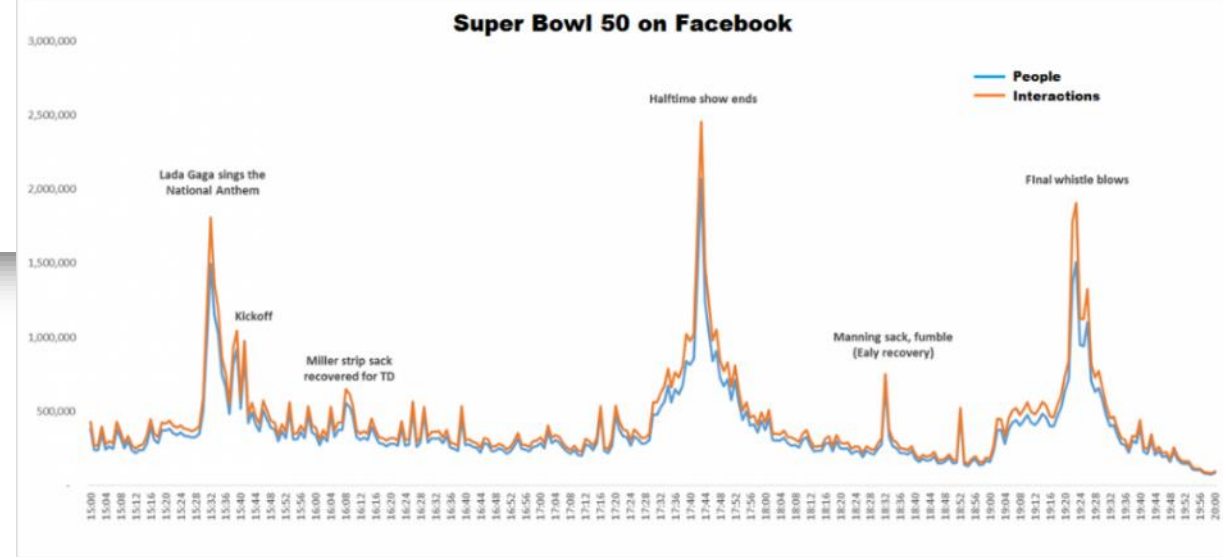
CASE STUDY

Super Bowl



► Social Bowl

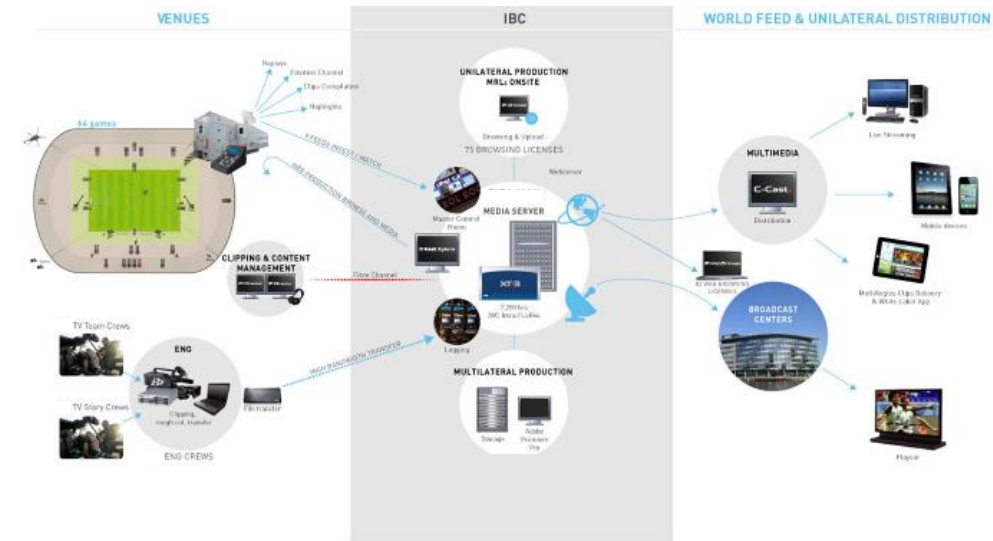
- In-stadium
 - 13,000 wifi routers – 35,000 connected devices during the game
- Off-stadium:
 - Most important event on social media:
 - 60 million users on Facebook
 - 27 million tweets
 - Record streaming on all platforms



BIG SPORTING EVENTS

How important they are for EVS

- Source of innovation
- Very important showcase for EVS technologies, with sophisticated workflows
- Evidence of the leadership of EVS
- Around EUR 10 million additional revenue in 2016



BIG EVENTS in 2016

- ▶ EURO in France:
 - 24 teams (16 in 2012), playing 51 games (31 in 2012) in 10 stadiums (8 in 2012)
 - Live broadcasts of the games in 230 countries around the globe
 - EVS equipment rented in venues and IBC

- ▶ Olympics in Rio:
 - Most important sport event of the year
 - 3.6 billion total TV audience in 2012
 - 200+ participating countries, 42 different sports
 - EVS equipment rented in IBC and provided by truck companies in venues

CONTENT CONSUMPTION

NEW VIEWERS CONSUMPTION BEHAVIOURS (NEXT GENERATION)

MORE CONTENT PRODUCED AND DISTRIBUTED

MORE LIVE VIDEO CLIPS WATCHED

MORE FAN ENGAGEMENT AND PERSONALIZATION

HIGHER QUALITY OF IMAGE (UHD, HDR)

LIVE SPORTS OPENS NEW OPPORTUNITIES

DEMAND FOR LIVE SPORTS KEEP RISING

RIGHTS AND ADVERTISING COSTS FOR PREMIUM LIVE SPORTS KEEP RISING

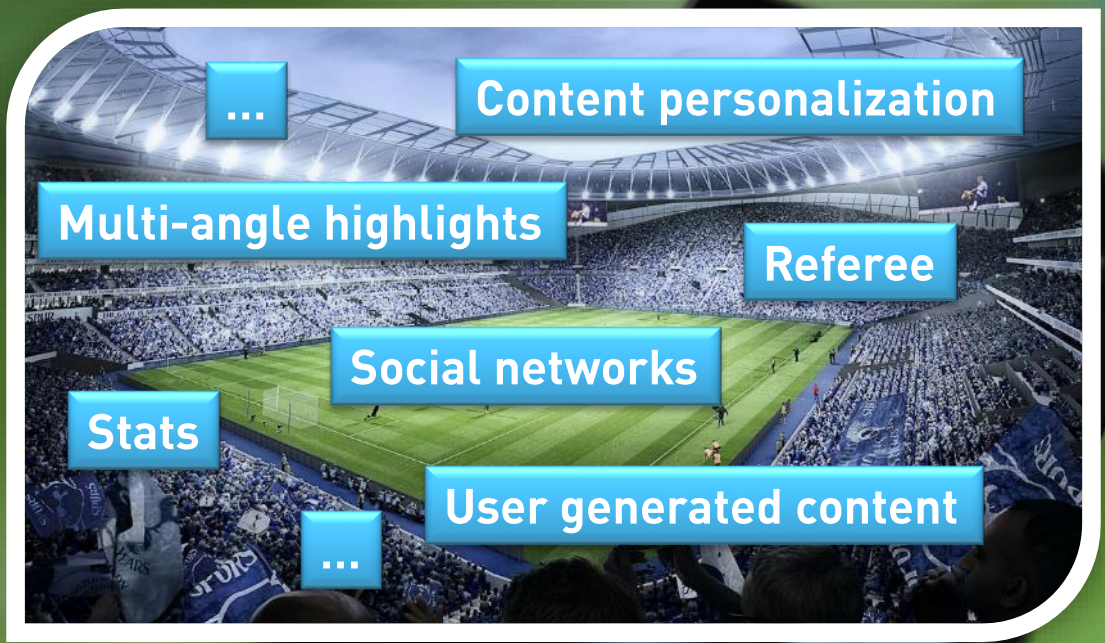
NEW PLAYERS ENTERING INTO THE GAME

BIG DATA/ANALYTICS ALLOW TO ENRICH FURTHER THE CONTENT

NEW TECHNOLOGIES UNLOCK LOADS OF NEW OPPORTUNITIES AND BUSINESS BEYOND TV

EVS FOCUS ON LIVE AND MEDIA EVOLUTION

open new opportunities



ENRICH



ADD MORE TO THE LIVE

MANAGE



MANAGE LIVE CONTENT

DISTRIBUTE



REACH BROADER AUDIENCES

CONCLUSION

- ▶ 2015 higher than expected thanks to strong year-end
- ▶ EVS confirms his leadership in live video production
- ▶ Industry still in mutation
- ▶ 2016:
 - Order book of EUR 50.4 million for 2016 at February 15
 - Big event year (around EUR 10 million rentals for big events)
 - Controlled opex growth, also relating to investments in new products and technologies

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CORPORATE CALENDAR

- ▶ 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

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