

EVS Broadcast Equipment

2Q15 results

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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.

AGENDA

- ▶ Executive summary
- ▶ 2Q15 & 1H15 financials
- ▶ Business update
- ▶ Outlook
- ▶ Annexes

FINANCIAL HIGHLIGHTS

- ▶ 2Q 2015:
 - Soft sales performance, driven by continued challenging environment
 - Strong currency impact
 - Opex under control (-2.3% at cst currency in 1H15 vs 1H14)
 - EBIT margin of 8.2%, mainly due to low sales

- ▶ Order book:
 - EUR 36.8 million, +10.2% vs 2014

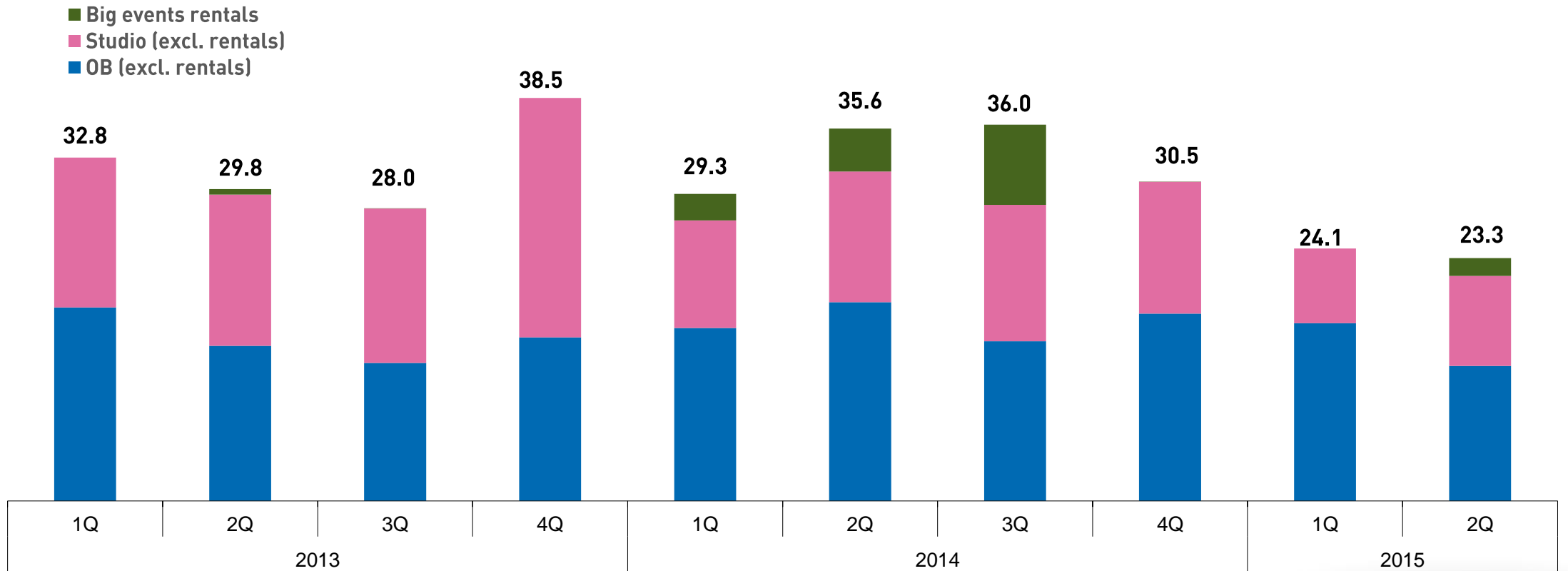
- ▶ FY15:
 - Confirmation of EUR 100-115 million guidance, anticipating a stronger H2
 - Confirmation of Opex « high single digit » growth guidance

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QUARTERLY REVENUE SPLIT

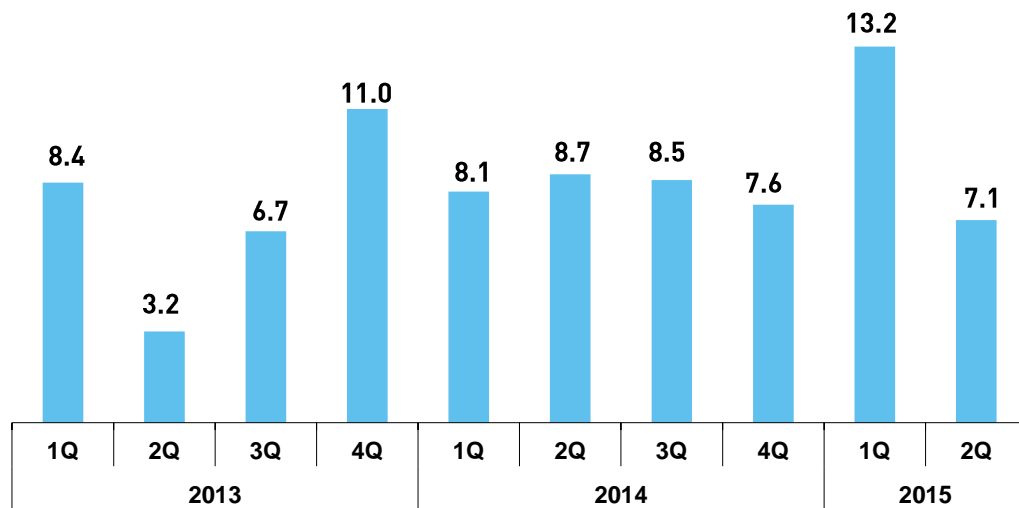
OB -31.8%, studio -30.8% compared to 2Q14



Q1 RESULTS: GEOGRAPHICAL SPLIT

Good start of 2015 in the Americas (+33.1%), timing and macro-economic effect in EMEA

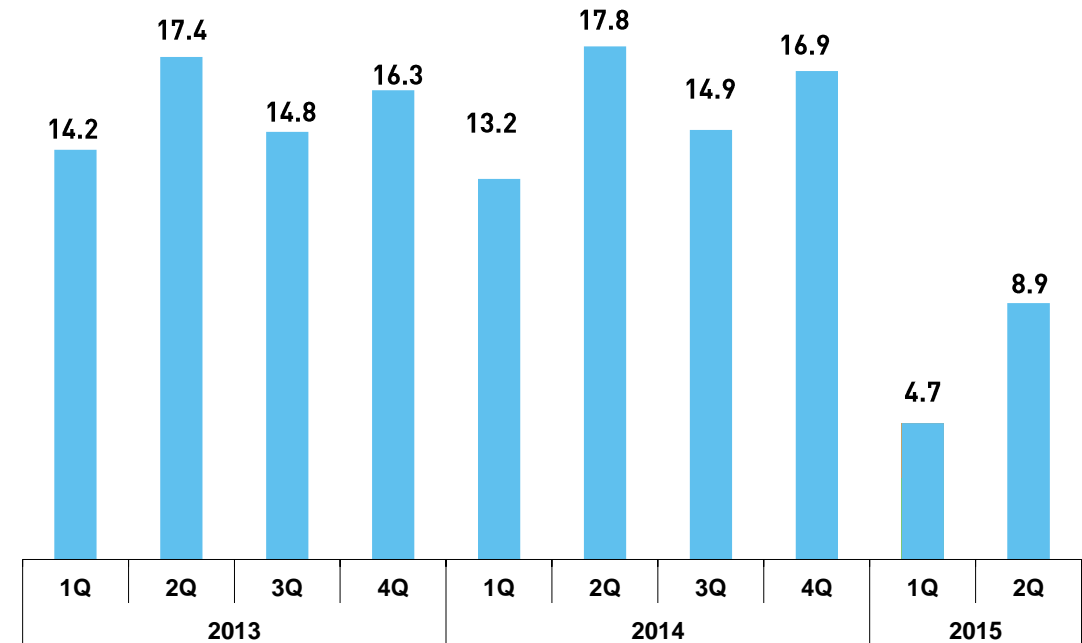
Americas (excl. events)



Revenue 1H15: EUR 20.3 million

- 1.9% vs 1H14 at cst currency, excl. big events

EMEA (excl. events)



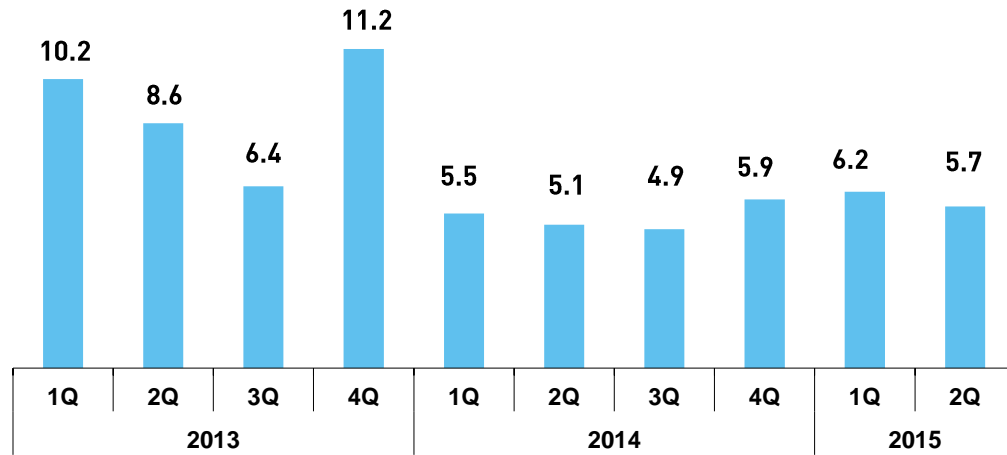
Revenue 1H15: EUR 13.6 million

- 56.1% vs 1H14 at cst currency, excl. big events

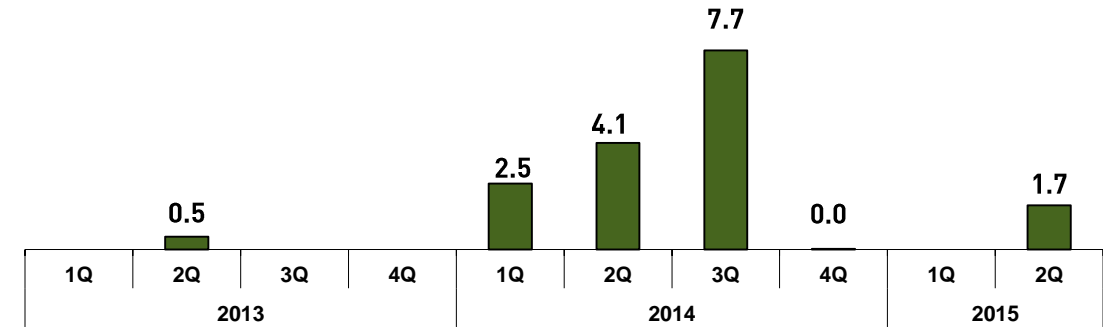
Q1 RESULTS: GEOGRAPHICAL SPLIT

Moderate growth in APAC, uneven year without major big events

APAC (excl. Events)



Big event rentals



Revenue 1H15: EUR 11.9 million

- +13.1% vs 1H14 at cst currency, excl. big events

2Q15: REVENUE DOWN BY 19.4%

Reported

In millions of EUR	2Q15	2Q14
REVENUE	23.3	35.6
Cost of sales	(14.7)	(8.9)
Gross margin	15.5	26.7
Gross margin %	66.7%	75.0%
S&A	(7.1)	(6.8)
R&D	(6.2)	(6.3)
EBIT	1.9	12.9
EBIT MARGIN	8.2%	36.2%
Financial result	(1.0)	0.0
dcinex & mecalec at equity	-	-
Taxes	(0.3)	(4.4)
NET PROFIT	0.7	8.9
NET PROFIT FROM OPS	1.1	9.6
BASICS EPS FROM OPS ¹⁾	0.05	0.71

- ▶ Gross margin:
 - Lower sales (leverage effect on fixed costs)
 - New building
 - Write-offs

- ▶ Opex: +2.0% in 2Q15
 - + Cost control
 - Exchange rates
 - Chengdu closing

- ▶ EBIT margin of 8.2%

- ▶ EPS : EUR 0.05

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

1H15

Reported

In millions of EUR	1H15	1H14
REVENUE	47.4	64.9
Cost of sales	(14.7)	(16.3)
Gross margin	32.8	48.6
Gross margin %	69.1%	74.9%
S&A	(12.9)	(12.2)
R&D	(12.1)	(12.5)
EBIT	7.4	22.9
EBIT MARGIN	15.6%	35.3%
Financial result	0.3	(0.0)
dcinex & mecalec at equity	0.1	0.2
Taxes	(2.3)	(7.7)
NET PROFIT	5.5	16.0
NET PROFIT FROM OPS	6.0	16.8
BASICS EPS FROM OPS ¹⁾	0.44	1.25

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

- ▶ Gross margin:
 - Lower sales (leverage effect on fixed costs)

- ▶ Opex: +1.3% in 1H15 (-2.3% at cst currency)
 - + Cost control
 - Exchange rates
 - Chengdu closing

- ▶ EBIT margin of 15.6%

- ▶ EPS : EUR 0.44



1H15

At constant currency

In millions of EUR	1H15 Cst currency	1H15 reported	1H14
REVENUE	43.6	47.4	64.9
Cost of sales	(14.3)	(14.7)	(16.3)
Gross margin	29.3	32.8	48.6
Gross margin %	67.2%	69.1%	74.9%
S&A	(12.2)	(12.9)	(12.2)
R&D	(12.0)	(12.1)	(12.5)
EBIT	4.8	7.4	22.9
EBIT MARGIN	11.0%	15.6%	35.3%

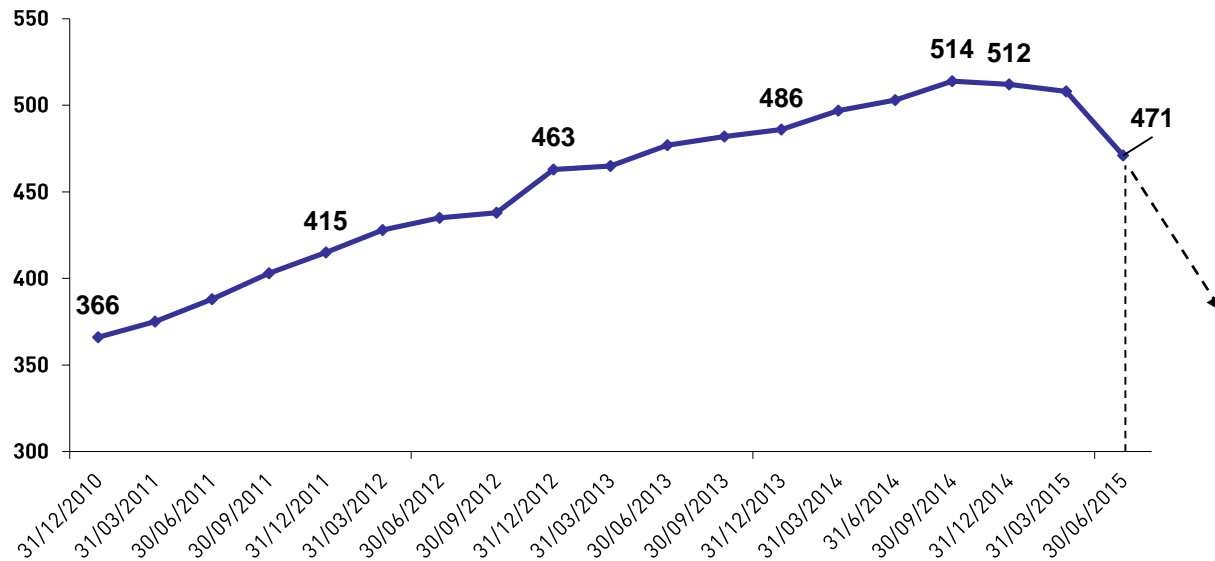
► Currency effect:

- + EUR 3.8 million on revenue
- EUR 0.4 million on gross margin
- EUR 0.9 million on opex

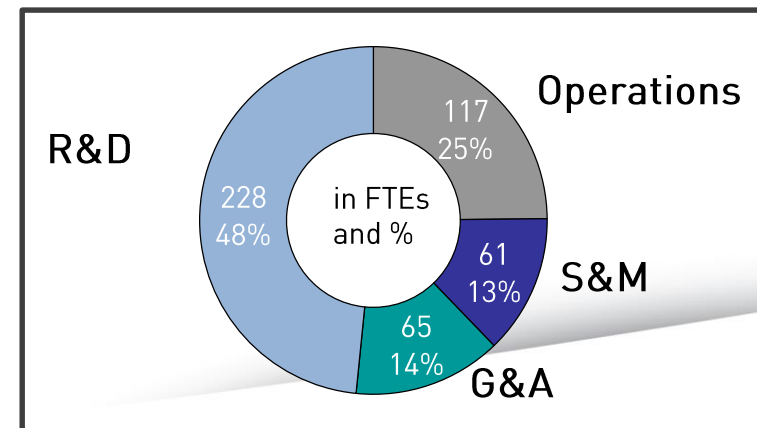
FTE: STREAMLINED ORGANIZATION

resulting in a strict control of opex growth

Headcount evolution (FTE)



- ▶ -39 FTE vs 31/12/2014, including impact of closing of Chengdu (-31 people, partially offset by some recruitment in Liège)
- ▶ More controlled recruitments: internal mobility to fill in open position.
- ▶ Average 498 FTE in 1H15 (+1.2% vs 1H14)



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STRATEGIC UPDATE

- ▶ Initiative to review the long term strategy, also in the view of the technology transitions and the emergence of new business models
- ▶ Increased focus on cost management: more disciplined approach to investments (e.g. optimized space in some EVS offices, transfer of Chengdu developments, new centralized travel booking system)
- ▶ Different initiatives to improve efficiency
 - Better management of available resources
 - Continued improvement of organization
 - Program to follow middle management development
 - ...

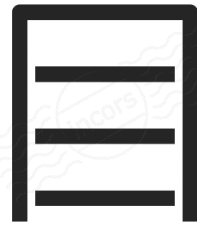
OPEN & INTEROPERABLE



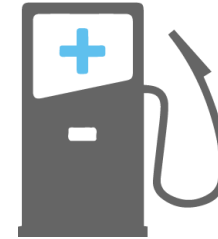
PROTECT EXISTING INVESTMENTS



PROFESSIONAL COTS*



HYBRID TRANSITION



IP IN PRODUCT DESIGN



IBC 2015

Other focus

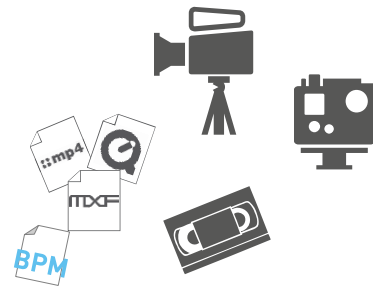
- ▶ Live content management: fast and live content turnaround



- ▶ Multimedia distribution platform: engaging a broader audience with mobile content



- ▶ Multiformat ingest and delivery



- ▶ DYVI: IT based video switcher



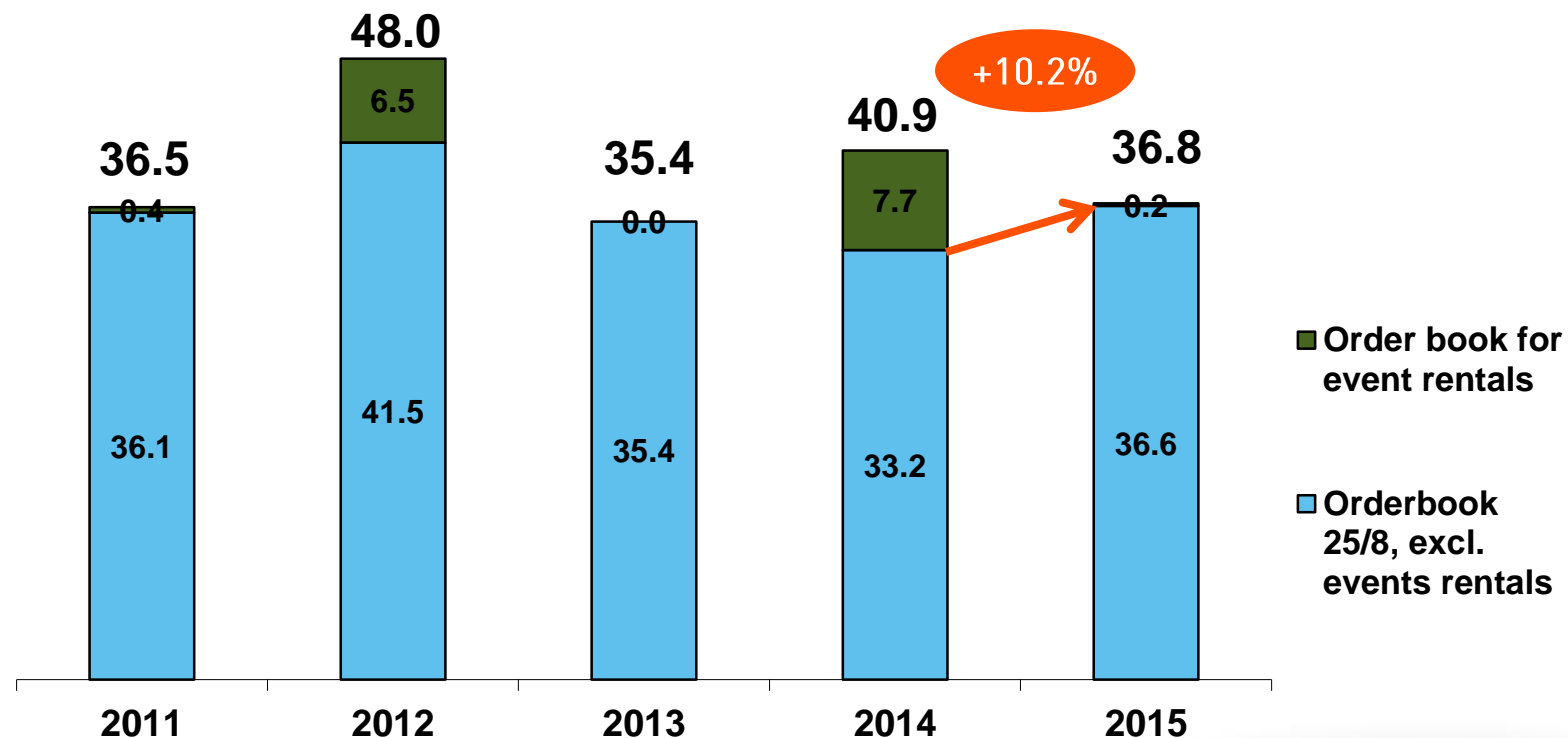
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OUTLOOK - ORDER BOOK AT AUGUST 25, 2015

+10.2% excl. big events rentals

- 75-80% are expected to be invoiced in 3Q15
- +EUR 5.4 million for 2016 and beyond



OUTLOOK

2015 guidance

- ▶ Order book of EUR 36.8 million for 2015 at August 25

- ▶ Continued slowdown in the market:
 - Macro-economic headwinds and longer investment cycles
 - More clarity needed on new technologies adoption
 - 2015 revenue is likely to be in the EUR 100-115 million range

- ▶ Opex is expected to grow at high single digit compared to 2014, despite strong opex control:
 - Currency effect
 - New building depreciation started April 1, 2015

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CORPORATE CALENDAR

- ▶ September 11-15: IBC tradeshow (Amsterdam)
- ▶ November 13, 2015: 3Q15 earnings