PRESS
RELEASE

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Regulated information – Press release quarterly results
EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

EVS reports third quarter 2018 results

> Q3 performance

- Acceleration of the business in 3Q18, resulting in a EUR 29.6 million revenue for 3Q18 (+12.9% compared to 3Q17), supported by the shipping of the XT-Via platform since this summer
- Strong actions taken to reduce operating expenses (-1.9% in 3Q18 compared with 3Q17)
- EBIT margin of 25.4% in 3Q18 due to somewhat lower gross margin offset by improved operating expenses
- Net profit amounted to EUR 7.4 million in 3Q18

> YTD Performance

Revenue still behind 2017 (-6,7% compared to 9M17)
Net profit of EUR 18.0 million (+39.6% compared to 9M17) thanks to one-time tax deductions in relation with the innovation box regime

> Interim gross dividend of EUR 0.50 per share

> Outlook

- Record order book of EUR 34.7 million on October 31, 2018 (to be recognized in revenue in 2018)
  - > +37.7% vs last year (+32.9%, excl. big event rentals)
- Additional EUR 10.6 million orders to be invoiced in 2019 and beyond
- Revenue is expected to be in the EUR 115 million to EUR 130 million range in 2018
- Opex are now expected to increase slightly compared to last year, an improvement compared to the previous guidance thanks to cost reduction initiatives

KEY FIGURES

Unaudited			EUR millions, except earnings per share expressed in EUR	Unaudited		
3Q18	3Q17	3Q18/3Q17		9M18	9M17	9M18/9M17
29.6	26.3	+12.9%	Revenue	73.7	79.0	-6.7%
20.4	18.5	+10.2%	Gross profit	49.9	56.8	-12.2%
68.8%	70.5%	-	*Gross margin %*	67.7%	71.9%	-
7.5	5.6	+35.3%	Operating profit – EBIT	9.9	18.4	-46.4%
25.4%	21.2%	-	*Operating margin – EBIT %*	13.4%	23.3%	-
7.4	3.8	+95.8%	Net profit (Group share)	18.0	12.9	+39.6%
0.54	0.28	+95.7%	Basic earnings per share (Group share)	1.33	0.95	+39.5%

COMMENTS

Dr. Pierre De Muelenaere, Chairman of the Board and interim CEO said: *"After a very weak 1H18, I'm very pleased with the progress realized by the company over the last months. A strong commitment and support of the EVS teams has allowed to decrease the costs and win important commercial deals for the core products and the new products. The release and the availability of the new XT-Via platform and a successful IBC show, have greatly helped accelerating our activities. As suggested by our order book, we expect a good finish of the year"*

"The recent decline in the share price has made the EVS share price attractive and the EVS Board has decided to initiate a share buyback program. It is also a sign of the Board's strong confidence in the company."

Regarding a recent transparency notification received by EVS, Dr. Pierre De Muelenaere added: "*Three weeks ago, Evertz Technologies (TSX:ET), a global company in media and entertainment technology solutions, notified us that they had crossed the 3% threshold in our capital. As with every new declared shareholder, there have been contacts between Evertz and EVS and the Board will continue to actively monitor the situation*."

Commenting on the results and prospects, Yvan Absil, CFO, said: *"Our third quarter fully reflects the expected acceleration of the business after a weak first half. The environment remains challenging in this second part of the year and this has called for special* *efforts of our teams. Even though the gross margin is slightly under pressure because of the product mix and inventory write-offs, we are particularly pleased with the results of our cost reduction initiatives, which resulted in a decrease of the operating expenses by 2% in 3Q18 yoy. Thanks to the strong order book and our existing pipeline, we confirm our revenue guidance for 2018. Thanks to higher cost discipline, we improve our opex guidance and now expect a slight increase (less than 2%) of our operating expenses in 2018 compared to 2017, an improvement from our prior guidance of moderate increase on top of the structural salary increases in Belgium".*

Revenue in 3Q18 and 9M18

3Q18	3Q17	%3Q18/ 3Q17	Revenue – EUR millions	9M18	9M17	% 9M18/ 9M17
29.6	26.3	+12.9%	Total reported	73.7	79.0	-6.7%
29.6	26.3	+12.6%	Total at constant currency	74.9	79.0	-5.3%
25.6	25.5	**+0.1%**	**Total at constant currency and excluding big event rentals**	62.8	77.3	**-18.8%**

EVS revenue amounted to EUR 29.6 million in 3Q18, a 12.9% increase compared to 3Q17 (+0.1% at constant currency and excluding big event rentals). Revenue of solutions in Outside broadcast vans represented 47.9% of the total group revenue. Studio & others revenue represented 38.6% of total revenue in 3Q18, and big event rentals represented 13.5% of total revenue.

In 9M18, EVS revenue reached EUR 73.7 million, a decrease by 6.7% (-18.8% at constant currency and excluding the big event rentals) compared to 9M17. In the first nine months of the year, Outside Broadcast vans represented 41.0%, Studio & others 42.6% and Big events rentals 16.4%.

Geographically, revenues (excl. big event rentals) are distributed in 9M18 as follows:

- Europe, Middle-East and Africa ("EMEA"): EUR 27.7 million
- "Americas": EUR 16.1 million
- Asia & Pacific ("APAC"): EUR 17.8 million

Third quarter 2018 results

Consolidated gross margin was 68.8% in 3Q18, compared to 70.5% in 3Q17 due to a less favorable product mix and inventory write-offs. Operating expenses decreased by 1.9% vs 3Q17, mainly due to cost reduction initiatives. The 3Q18 EBIT margin was 25.4%. Income taxes were EUR -0.3 million and includes some positive effect of the innovation box regime in Belgium. Group net profit amounted to EUR 7.4 million in 3Q18, compared to EUR 3.8 million in 3Q17. Basic net profit per share amounted to EUR 0.54 in 3Q18 compared to EUR 0.28 in 3Q17.

First nine months of 2018 results

Consolidated gross margin was 67.7% for 9M18, compared to 71.9% in 9M17 due to lower sales, a less favorable product mix and inventory write-offs. Operating expenses grew by 1.1% yoy, and remain under control. The "Other income" in 9M17 included the reversal of a debt booked for the earn out portion of the acquisition of SVS at the end of 2014. The 9M18 EBIT margin was 13.4%. Income taxes were positive this first nine months (EUR 8.3 million), mainly due to the effect of the implementation of the innovation box regime in Belgium (that included a one-time tax deduction of EUR 6.6 million in relation with 2H16 and FY17). Group net profit amounted to EUR 18.0 million in 9M18, compared to EUR 12.9 million in 9M7. Basic net profit per share amounted to EUR 1.33 in 9M18, compared to EUR 0.95 in 9M17.

Staff

At the end of September 2018, EVS employed 492 people (FTE). This is a decrease by 2 people compared to the end of 2017, as a result of strict management of resources. We expect to end 2018 around the same level as at the end of 2017.

Balance sheet and cash flow statement

Total equity represents 76.7% of the total balance sheet as of the end of September 2018. Inventories amount to EUR 17.0 million, and include around EUR 3.0 million value of own equipment used for R&D and demos of EVS products. This is an expected decrease compared to the end of June 2018, following the end of the big sporting events. In the liabilities, provisions include mainly the provision for technical warranty on EVS products for labor and parts.

Lands and building mainly include the headquarters in Liège. Annual depreciation on this building is approximately EUR 2 million. Liabilities include EUR 11.7 million of financial debt (including long term and short term portion of it), mainly relating to the headquarter. The company repays approximately EUR 5.2 million per year.

The net cash from operating activities amounts to EUR 12.9 million in 9M18. On September 30, 2018, cash and cash equivalents total EUR 41.0 million.

At the end of September 2018, there were 13,625,000 EVS shares outstanding, of which 93,144 were owned by the company. At the same date, 183,500 warrants were outstanding with an average exercise price of EUR 30.74 and an average maturity in April 2022.

Share buyback update

On October 24, 2018, EVS announced the launch of a share buyback program of a maximum EUR 10 million. Between October 25, 2018 and November 14, 2018, EVS has bought, in a market with low volumes, 28,325 shares at an average price of EUR 19.26, representing in total EUR 545,475. After aforementioned transactions the total number of own shares amounts now to 121,469 shares (including 93,144 shares already held by the company) as of November 14, 2018.

Interim dividend

Given the solid balance sheet of the company, the Board of Directors has decided to pay an interim gross dividend of EUR 0.50 per share (or EUR 0.35 net per share after deduction of 30% withholding tax) in line with previous year interim dividend. The ex-date for Coupon # 27 is November 20, 2018, and the payment date is November 22, 2018.

2018 outlook

The order book (to be recognized in revenue in 2018) on October 31, 2018 amounts to EUR 34.7 million, which is +37.7% compared to EUR 25.2 million last year (or +32.9% excl. big event rentals). In addition to this order book to be invoiced in 2018, EVS already has EUR 10.6 million of orders to be invoiced in 2019 and beyond.

The expected acceleration of the business in the second half, the record order book at October 31, and the current business momentum allow us to confirm that revenue in 2018 is expected to be in the EUR 115 million to EUR 130 million range. While we expect the gross margin to end up around 70% following less favorable product mix and inventory write-offs, we now expect our operating expenses to increase only slightly compared to 2017 following successful cost reductions initiatives.

Conference call

EVS will hold a conference call in English today at 3.00 pm CET for financial analysts and institutional investors. Other interested parties may join the call in a listen-only mode. The presentation used during the conference call will be available shortly before the call on the EVS website.

Dial-in numbers: +44 (0)2071 928 501 (United Kingdom), +32 (0)2 401 70 35 (Belgium), +1 917 720 0181 (United States)
Conference call ID: 5874637

Corporate Calendar:

February 21, 2019: FY18 results
May 9, 2019: 1Q19 results
May 21, 2019: Ordinary General Meeting
August 29, 2019: 2Q19 results
November 14, 2019: 3Q19 results

For more information, please contact:

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Condensed Interim Consolidated financial statements

ANNEX 1: CONDENSED CONSOLIDATED INCOME STATEMENT

(EUR thousands)	Annex	9M18 Unaudited	9M17 Unaudited	3Q18 Unaudited	3Q17 Unaudited
Revenue	5.3	73,713	79,045	29,639	26,254
Cost of sales		-23,836	-22,233	-9,241	-7,736
Gross profit		**49,877**	**56,812**	**20,398**	**18,518**
Gross margin %		**67.7%**	**71.9%**	**68.8%**	**70.5%**
Selling and administrative expenses		-20,156	-20,322	-6,517	-6,640
Research and development expenses		-19,028	-18,450	-6,116	-6,233
Other income		193	1,293	24	38
Other expenses		-300	-333	-129	-95
Stock based compensation and ESOP plan		-709	-579	-122	-15
Operating profit (EBIT)		**9,877**	**18,419**	**7,539**	**5,573**
Operating margin (EBIT) %		**13.4%**	**23.3%**	**25.4%**	**21.2%**
Interest revenue on loans and deposits		99	38	62	27
Interest charges		-265	-292	-88	-117
Other net financial income / (expenses)	5.6	-152	-408	144	79
Share in the result of the enterprise accounted for using the equity method		93	93	31	37
Profit before taxes (PBT)		**9,652**	**17,850**	**7,688**	**5,600**
Income taxes	5.7	8,300	-4,990	-318	-1,834
Net profit		**17,952**	**12,860**	**7,370**	**3,766**
Attributable to :					
Non controlling interest		-		-	
Equity holders of the parent company		**17,952**	**12,860**	**7,370**	**3,766**

EARNINGS PER SHARE *(in number of shares and in EUR)*	9M18 Unaudited	9M17 Unaudited	3Q18 Unaudited	3Q17 Unaudited
Weighted average number of subscribed shares for the period less treasury shares	13,525,658	13,512,640	13,531,856	13,519,229
Weighted average fully diluted number of shares	13,525,658	13,512,640	13,531,856	13,519,229
Basic earnings – share of the group	**1.33**	**0.95**	**0.54**	**0.28**
Fully diluted earnings – share of the group (1)	**1.33**	**0.95**	**0.54**	**0.28**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR thousands)	9M18 Unaudited	9M17 Unaudited	3Q18 Unaudited	3Q17 Unaudited
Net profit	**17,952**	**12,860**	**7,370**	**3,763**
Other comprehensive income of the period				
Currency translation differences	86	-726	137	-212
Other increase/(decrease)	-	-447	-	2
Total of recyclable elements	**86**	-1,173	**137**	-210
Total comprehensive income for the period	**18,037**	**11,687**	**7,507**	**3,553**
Attributable to :				
Non controlling interest	-	-	-	-
Group share	18,037	11,687	7,507	3,553

(1) The diluted earnings per share are equal to the basic earnings per share as the 183,500 warrants outstanding at the end of September 2018 were not exercisable given the exercise prices were above the share price. The 183,500 warrants have an average maturity of April 2022.

ANNEX 2: CONDENSED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

ASSETS (EUR thousands)	Notes	Sep 30, 2018 Unaudited	Dec. 31, 2017 Audited
Non-current assets :			
Goodwill		1,125	1,125
Other intangible assets		455	291
Lands and buildings	5.11	45,041	45,812
Other tangible assets		2,985	2,897
Investment accounted for using equity method		1,184	1,091
Other long term amounts receivables		1,123	1,759
Deferred tax assets		6,668	3,297
Other financial assets		282	273
Total non-current assets		**58,863**	**56,546**
Current assets :			
Inventories		17,042	15,667
Trade receivables		28,405	33,144
Other amounts receivable, deferred charges and accrued income		3,643	3,820
Other financial assets		209	236
Cash and cash equivalents		41,044	39,423
Total current assets		**90,342**	**92,291**
Assets classified as held for sale	5.3.5	3,695	4,016
Total assets		**152,901**	**152,853**

EQUITY AND LIABILITIES (EUR thousands)	Notes	Sep 30, 2018 Unaudited	Dec 31, 2017 Audited
Equity :			
Capital		**8,342**	**8,342**
Reserves		111,779	100,452
Treasury shares		-3,556	-4,038
Total consolidated reserves		**108,223**	**96,414**
Translation differences		676	590
Equity attributable to equity holders of the parent company		**117,241**	**105,347**
Non-controlling interest		**-**	**-**
Total equity	**5.4**	**117,241**	**105,347**
Long term provisions		1,287	1,212
Deferred taxes liabilities		34	-
Financial long term debts	5.11	6,175	9,300
Other long term debts		59	59
Non-current liabilities		**7,555**	**10,572**
Short term portion of financial debts	5.11	5,550	5,250
Trade payables		5,101	5,870
Amounts payable regarding remuneration and social security		7,581	8,513
Income tax payable		2,366	8,851
Other amounts payable, advances received, accrued charges and deferred income		7,506	8,451
Current liabilities		**28,105**	**36,935**
Total equity and liabilities		**152,901**	**152,853**

ANNEX 3: CONDENSED STATEMENT OF CASH FLOWS

	Notes	9M18 Unaudited	9M17 Unaudited
Cash flows from operating activities			
Net profit, group share		**17,952**	**12,860**
Adjustment for:			
- Other income		-75	-
- Depreciation and write-offs on fixed assets		2,410	2,478
- Stock based compensation and ESOP	5.4	709	579
- Provisions		75	94
- Income tax expense (+) / Gain (-)		-8,300	4,990
-Interests expense (+) / Income (-)		318	662
-Share of the result of entities accounted for under the equity method		-93	-93
Adjustment for changes in working capital items:			
-Inventories		-1,375	-1,754
-Trade receivables		5,330	1,062
-Other amounts receivable, deferred charges and accrued income		185	-376
-Trade payables		-769	1,189
-Amounts payable regarding remuneration and social security		-1,209	-751
-Other amounts payable, advances received, accrued charges and deferred income		-923	-3,468
-Conversion differences		-93	523
Cash generated from operations		*14,141*	*17,995*
Income taxes paid	5.7	-1,238	-14,681
Net cash from operating activities		**12,903**	**3,314**
Cash flows from investing activities			
Purchase of intangible assets		-263	-6
Purchase of tangible assets (lands and building and other tangible assets)		-1,298	-1,601
Disposal of tangible assets		75	-
Other financial assets		-8	7
Net cash used in investing activities		**-1,494**	**-1,601**
Cash flows from financing activities			
Reimbursement of borrowings	5.11	-3,563	-3,563
Proceeds from new borrowings		738	-
Interests paid		-249	-292
Interests received		99	38
Dividend received from investee		-	-
Dividend paid - interim dividend		-	-
Dividend paid - final dividend		-6,758	-9,446
Other allocation		-399	-480
Acquisition / sale of treasury shares	4, 5.4	-	-
Net cash used in financing activities		**-10,132**	**-13,743**
Net increase in cash and cash equivalents		-1,277	-12,029
Net foreign exchange difference		345	-1,139
Cash and cash equivalents at beginning of period		**39,423**	**53,150**
Cash and cash equivalents at end of period		**41,044**	**39,982**

ANNEX 4: CONDENSED STATEMENT OF CHANGE IN EQUITY

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, share of the group	Non-controlling interest	Total equity
Balance as per January 1, 2017	**8,342**	**92,610**	**-4,548**	**1,040**	**97,445**	**-**	**97,445**
Total comprehensive income for the period		12,413		-726	11,687		11,687
Business combination					-		-
Share-based payments		579			579		579
Operations with treasury shares			509		509		509
Interim dividend					-		-
Final dividend		-9,446			-9,446		-9,446
Balance as per September 30, 2017	**8,342**	**96,154**	**-4,038**	**314**	**100,773**	**-**	**100,773**

(EUR thousands)	Capital	Reserves	Treasury shares	Currency translation differences	Equity, group share	Non-controlling interest	Total equity
Balance as at January 1, 2018 (reported)	**8,342**	**100,452**	**-4,038**	**590**	**105,347**	**-**	**105,347**
Change in accounting policies		-34			-34		-34
Balance as at January 1, 2018 (restated)	**8,342**	**100,418**	**-4,038**	**590**	**105,313**	**-**	**105,313**
Total comprehensive income for the period		17,952		86	18,037		18.037
Acquisition of non-controlling interest					-		-
Share-based payments		565			565		565
Acquisition/sale of treasury shares			482		482		482
Interim dividend					-		-
Final dividend		-6,758			-6,758		-6,758
Other allocation		-399			-399		-399
Balance as per June 30, 2018	**8,342**	**111,779**	**-3,556**	**676**	**117,241**		**117,241**

ANNEX 5: NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5.1: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of EVS Group for the 9 month-period ended September 30, 2018, are established and presented in accordance with the International Financial Reporting Standards (IFRS), as adopted for use in the European Union. The accounting framework and standards adopted by the European Commission can be accessed through the following link on the website: http://ec.europa.eu/finance/company-reporting/index_en.htm. The condensed interim financial statements of the Group for the 9 month-period ended September 30, 2018 were authorized for issue by the Board of Directors on November 13, 2018. This interim report only provides an explanation of events and transactions that are significant to an understanding of the changes in financial position and reporting since the last annual reporting period and should therefore be read in conjunction with the consolidated financial statements for the financial year ended on December 31, 2017.

NOTE 5.2: SIGNIFICANT ACCOUNTING POLICIES AND METHODS

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as issued by the IASB, and as adopted by the EU. The accounting policies and methods adopted for the preparation of the Company's IFRS consolidated financial statements are consistent with those applied in the 2017 consolidated financial statements. The Company's IFRS accounting policies and methods are available in the 2017 annual report on www.evs.com, except for the new, amended or revised IFRS standards and IFRIC Interpretations that have been adopted as of January 1, 2018 which are listed hereunder:

- Amendments to IFRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions, effective 1 January 2018
- IFRS 9 Financial Instruments, effective 1 January 2018
- Amendments to IFRS 9 Financial Instruments - Prepayment Features with Negative Compensation, effective 1 January 2018
- IFRS 15 Revenue from Contracts with Customers, including amendments to IFRS 15: Effective date of IFRS 15 and Clarifications to IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- Amendments to IAS 40 Investment Property – Transfers of Investment Property, effective 1 January 2018
- IFRIC 22 Foreign Currency Transactions and Advance Consideration effective 1 January 20182
- Annual Improvements Cycle - 2014-2016, effective 1 January 2018

The adoption of these new, amended or revised pronouncements did not have significant impact on the consolidated financial statements of the Group, except for:

- Since January 1, 2018, IFRS 15 Revenue from contracts with customers is applicable. EVS Group used the transitional modified retrospective method for the transition to the new standard, however, the transition to IFRS 15 did not have a material impact as of January 1, 2018 for contracts with performance remaining under previous guidance.
- As of January 1, 2018 IFRS 9 Financial Instruments is also applicable.
  - The classification and measurement requirements of IFRS 9 did not have an impact because the Company's trade receivables satisfy the conditions to be classified at amortized cost under IFRS 9.
  - The new impairment model under IFRS 9 requires the recognition of impairment provision based on the expected credit losses. It applies to all financial assets measured at amortized cost and covers mainly the Company's trade receivables. At transition, EVS Group estimated the impact of this change being EUR 34 thousand which has been recognized in the opening equity because the comparative information was not restated in line with the transition requirements of the new standard. The amount of impairment loss as of June 30, 2018 did not differ significantly from this amount therefore no significant change has been recognized.

NOTE 5.3: SEGMENT REPORTING

From an operational point of view, the company is vertically integrated with the majority of its staff located in the headquarters in Belgium, including the R&D, production, marketing and administration departments. This explains why the majority of the investments and costs are located at the level of the Belgian parent company. The foreign subsidiaries are primarily sales and representative offices. The Chief Operating Decision Maker, being the Executive Committee, reviews the operating results, operating plans, and makes resource allocation decisions on a company-wide basis. Revenue related to products of the same nature (digital broadcast production equipment) are realized by commercial polyvalent teams. The company's internal reporting is the reflection of the above mentioned operational organization, and is characterized by the strong integration of the activities of the company.

By consequence, the company is composed of one segment according to the IFRS 8 definition, and the consolidated income statement of the group reflects this unique segment. All long term assets are located in the parent company EVS Broadcast Equipment SA in Belgium.

The company provides only one type of solution: solutions based on tapeless workflows with a consistent modular architecture. This is the product of EVS. There are no other significant classes of business, either singularly or in aggregate. Indeed, identical modules can meet the needs of different markets. Our customers themselves are often multi-markets. Providing information for each module is therefore not relevant for EVS.

At the geographical level, our activities are divided into the following regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and America ("Americas"). This division follows the organization of the commercial and support services within the group, which operate worldwide. A fourth region is dedicated to the worldwide events ("Big event rentals").

The company provides additional information with a presentation of the revenue by destination: "Outside broadcast vans", "Studio & others" and "Big sporting event rentals" for rental contracts relating to the big sporting events.

Finally, sales are presented by nature: systems and services.

5.3.1. Information on revenue by destination

Revenue can be presented by destination: Outside broadcast vans, Studio & others and Big sporting event rentals. Maintenance and after sale service are included in the complete solution proposed to the clients.

3Q18	3Q17	% 3Q18/ 3Q17	Revenue (EUR thousands)	9M18	9M17	% 9M18/ 9M17
14,198	13,953	+1.8%	Outside broadcast vans	30,257	47,930	-36.9%
11,441	11,580	-1.2%	Studio & others	31,397	29,385	+6.8%
4,000	721	N/A	Big sporting event rentals	12,060	1,730	N/A
29,638	**26,254**	**+12.9%**	**Total Revenue**	**73,713**	**79,045**	**-6.7%**

5.3.2. Information on revenue by geographical information

Activities are divided by three regions: Asia-Pacific ("APAC"), Europe, Middle East and Africa ("EMEA"), and "Americas". Aside of them, we also identify the "Big event rentals".

Revenue for the quarter (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event rentals	TOTAL
3Q18 revenue	7,292	11,401	6,946	4,000	29,638
Evolution versus 3Q17 (%)	+30.4%	-15.7%	+8.2%	N/A	+12.9%
Variation versus 3Q17 (%) at constant currency	+30.4%	-15.7%	+7.1%	N/A	+12.6%
3Q17 revenue	5,594	13,520	6,419	721	26,254

Revenue for the YTD period (EUR thousands)	APAC excl. events	EMEA excl. events	Americas excl. events	Big event Rentals	TOTAL
9M18 revenue	17,845	27,660	16,148	12,060	73,713
Evolution versus 9M17 (%)	-14.5%	-22.8%	-21.7%	N/A	-6.7%
Variation versus 9M17 (%) at constant currency	-14.5%	-22.8%	-16.1%	N/A	-5.3%
9M17 revenue	20,860	35,826	20,629	1,730	79,045

Revenue realized in Belgium (the country of origin of the company) with external clients represent less than 5% of the total revenue for the period. In the last 12 months, the group realized significant revenue with external clients (according to the definition of IFRS 8) in one country: the United States (Americas, EUR 23.4 million in the last 12 months).

5.3.3. Information on revenue by nature

Revenue can be presented by nature: systems and services.

3Q18	3Q17	% 3Q18/ 3Q17	Revenue (EUR thousands)	9M18	9M17	% 9M18/ 9M17
25,716	23,619	+8.9%	Systems	64,202	71,310	-10.0%
3,922	2,635	+48.9%	Services	9,512	7,735	+23.0%
29,638	**26,254**	**+12.9%**	**Total Revenue**	**73,713**	**79,045**	**-6.7%**

Services include advice, installations, project management, training, maintenance, and distant support.

5.3.4. Information on important clients

Over the last 12 months, no external client of the company represented more than 10% of the revenue.

5.3.5 Other income and assets held for sale

Assets held for sale as at September 30, 2018 represent an amount of EUR 3.7 million and mainly relates to two buildings which were occupied by the Company before it moved its headquarters at its current location. Such buildings are classified among assets held for sale for more than twelve months but EVS remains committed to its plan to sell the buildings. Accordingly, these buildings are still classified as assets held for sale. As per information available at this stage, there is no indication of impairment for these buildings.

In the first half of 2018, one small building (EUR 0.3 million) has been reclassified in Lands and Buildings, as the company decided to stop the sale process for this one and intends to use it for internal purpose. Following the reclassification, EUR 0.03 million has been recorded as a depreciation adjustment in 2Q18. There is currently no risk of impairment on this building.

For the biggest building still classified in Assets held for sale, EVS received a binding offer (subject to conditions) and therefore the sales transaction is expected to close in 4Q18 or 1Q19.

NOTE 5.4: EQUITY SECURITIES

The number of treasury shares has changed as follows during the period, together with the outstanding warrants:

	2018	2017
Number of own shares at January 1	**105,771**	**119,111**
Acquisition of own shares on the market	-	-
Sale of own shares on the market	-	-
Allocation to Employees Profit Sharing Plans	-12,627	-13,090
Sale related to Employee Stock Option Plan (ESOP) and other transactions	-	-250
Number of own shares at September 30	**93,144**	**105,771**
Outstanding warrants at September 30	**183,500**	**197,100**

In 9M18, the company did not repurchase any share on the stock market. No shares were used to satisfy the exercise of warrants by employees. The Ordinary General Meeting of shareholders of May 15, 2018 approved the allocation of 12,627 shares to EVS employees (grant of 42 shares to each staff member in proportion to their effective or assimilated time of occupation in 2017) as a reward for their contribution to the group successes. At the end of September 2018, the company owned 93,144 own shares at an average historical price of EUR 38.18. At the same date, 183,500 warrants were outstanding (no grant, no exercise and 49,400 cancellations in 9M18) with an average strike price of EUR 30.74 and an average maturity of April 2022.

NOTE 5.5: DIVIDENDS

The Ordinary General Meeting of May 15, 2018 approved the payment of a total gross dividend of EUR 1.00 per share, including the interim dividend of EUR 0.50 per share paid in November 2017, leading to a final gross dividend of EUR 0.50 per share, for digital coupon # 26, ex-date May 22 and pay date May 24.

The Board of Directors of November 13, 2018 has decided to pay an interim gross dividend of EUR 0.50 per share (EUR 0.35 per share after 30% withholding tax) for the fiscal year 2018 with November 20 as ex-date, November 21 as record date and November 22 as payment date.

(EUR thousands)	# Coupon	2018	2017
- Final dividend for 2016 (EUR 0.70 per share less treasury shares)	24	-	9,446
- Interim dividend for 2017 (EUR 0.50 per share less treasury shares)	25	-	6,760
- Final dividend for 2017 (EUR 0.50 per share less treasury shares)	26	6,760	-
- Interim dividend for 2018 (EUR 0.50 per share less treasury shares)	27	6,760	-
Total paid dividends		**13,520**	**16,206**

NOTE 5.6: OTHER NET FINANCIAL INCOME / (EXPENSES)

(EUR thousands)	9M18	9M17
Exchange results from statutory accounts	-776	418
Exchange results relating to IFRS consolidation methodology	552	-817
Other financial results	73	-9
Other net financial income / (expenses)	**-152**	**-408**

The functional currency of EVS Broadcast Equipment S.A. as well as all of the subsidiaries is the euro, except for the American EVS Inc. subsidiary, whose functional currency is the US dollar. The presentation currency of the consolidated financial statements of EVS Group is the euro. For more information on exchange rates, see also the note 5.9.

NOTE 5.7: INCOME TAX EXPENSE

Reconciliation of the tax charge

The effective tax charge of the group obtained by applying the effective tax rate to the pre-tax profit of the group, has been reconciled for the two periods with the theoretical tax charge obtained by applying the theoretical tax rate:

(EUR thousands)	**9M18**	**9M17**
Reconciliation between the effective tax rate and the theoretical tax rate		
Reported profit before taxes, share in the result of the enterp. accounted for using the equity method	9,559	17,757
Reported tax charge based on the effective tax rate	8,300	-4,990
Effective tax rate	**-86.8%**	**28.1%**
Reconciliation items for the theoretical tax charge		
Tax effect of the reversal of a debt	-	-391
Tax effect of deduction for notional interests	-21	-32
Tax effect of non-deductible expenditures	238	271
Tax effect due to the usage of tax losses	-25	
Tax effect on R&D investment deductions	-906	-984
Tax effect on innovation deduction	-2,299	-
Tax effect on innovation deduction (catch-up from previous years)	-6,553	-
Tax effect of overvaluations and undervaluations related to prior years	-594	342
Other increase / (decrease)	205	256
Total tax charge of the group entities computed on the basis of the respective local nominal rates	-1,656	-5,528
Theoretical tax rate	**17.3%**	**31.1%**

NOTE 5.8: HEADCOUNT

(in full time equivalents)	**At September 30**	**Nine-months average**
2018	492	500
2017	482	479
Variation	*+2.1%*	*+4.4%*

NOTE 5.9: EXCHANGE RATES

The main exchange rate that influences the consolidated financial accounts is USD/EUR which has been taken into account as follows:

Exchange rate **USD / EUR**	**Average YTD**	**Average 3Q**	**At September 30**
2018	1.1942	1.1629	1.1576
2017	1.1140	1.1746	1.1806
Variation	*-6.7%*	*+1.0%*	+2.0%

For 9M18, the average US dollar exchange rate against the Euro decreased by 4.5%. It had a negative impact on 9M18 revenue of EUR 1.2 million, or 1.4%.

NOTE 5.10: FINANCIAL INSTRUMENTS

The estimated fair values of the financial assets and liabilities are equal to their fair book values in the balance sheet.

Periodically, EVS measures the group's anticipated exposure to transactional exchange risk over one year, mainly relating to the EUR/USD risk. Given the group has a "long" position in USD and based on revenue forecasts, EVS hedges future USD net in-flows by forward foreign exchange contracts. The change in the fair value of the forward foreign exchange contracts goes directly through the income statement (other financial results) because the Group does not apply hedge accounting on these transactions.

NOTE 5.11: FINANCIAL DEBT

In order to partially finance its new HQ and operating facilities, EVS has drawn down a total of EUR 30 million loans. EVS already started to pay these loans down, and will gradually do so until 2020, with annual installments of EUR 5.2 million. In 4Q16, EVS took advantage of the low interest rates to re-organize (with no change of the total amount and at no cost) and simplify some of its credit lines in relation with the financing of the new headquarter. As a result, it now has three credit lines of EUR 5.4 million with Belfius, ING and BNP Paribas Fortis, all maturing in 2020. In 9M18, EVS did reimburse EUR 3.6 million.

NOTE 5.12: PENSION PLANS

The employees of EVS Broadcast Equipment SA benefit from a group insurance. In this context, EVS makes a contribution for each employee to the insurance companies. EVS benefits from a minimum return guaranteed by the insurance companies which set up the plans, and this until December 31, 2016 (minimum return requirement of the contributions, as required by law).

However, on December 18, 2015, the Belgian legislation has been updated and clarification was provided on the minimum guaranteed rate of return. Before December 31, 2015, the minimum guaranteed rate of return on employer and participant contributions were 3.25% and 3.75% respectively. From 2016 onwards, the rate decreased to 1.75% and is annually recalculated based on a risk free rate of 10-year government bonds. According to IAS19, Belgian-defined contribution plans that guarantee a specified return on contributions should be assimilated to defined benefit plans, as the employer is not responsible for the contribution payments, but has to cover the investment risk until the legal minimum rates applicable. The returns guaranteed by the insurance companies are in most cases lower than or equal to the minimum return guaranteed by law. As a result, the Group has not fully hedged its return risk through an insurance contract and a provision needs to be accounted for. The plans at EVS are financed through group insurance contracts. The contracts are benefiting from a contractual interest rate granted by the insurance company. When there is underfunding, this will be covered by the financing fund and in case this is insufficient, additional employer contributions will be requested.

This analysis is done annually and recognized in the profit and loss account, if necessary. More information can be found in the note 6.4 of the 2017 annual report.

NOTE 5.13 SUBSEQUENT EVENTS

On October 24, 2018, EVS announced that:

- it has received a notification stating that Evertz Technologies Ltd now owns 3.12% of the EVS voting rights.
- the Board of Directors of the company has decided to start a share buyback program for a maximum amount of EUR 10 million.

There were no other subsequent events that may have a material impact on the balance sheet or income statement of EVS.

NOTE 5.14: RISK AND UNCERTAINTIES

Investing in the stock of EVS involves risks and uncertainties. The risks and uncertainties relating to the remainder of the year 2018 are similar to the risks and uncertainties that have been identified by the management of the company and that are listed in the management report of the annual report (available at www.evs.com).

Certification of responsible persons

Pierre De Muelenaere, Interim Managing Director & CEO
Yvan Absil, CFO

Certify that, based on their knowledge,

a) the condensed financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union, fairly present in all material respects the financial condition and results of operations of the issuer and the companies included in the consolidation,
b) the Directors' report fairly presents the important events and related parties transactions of the first nine months of 2018, including their impact on the condensed financial statements, and a description of the existing risks and uncertainties for the remaining months of the fiscal year.