

EVS Broadcast Equipment

2Q 2017 results

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www.evs.com



FORWARD LOOKING INFORMATION

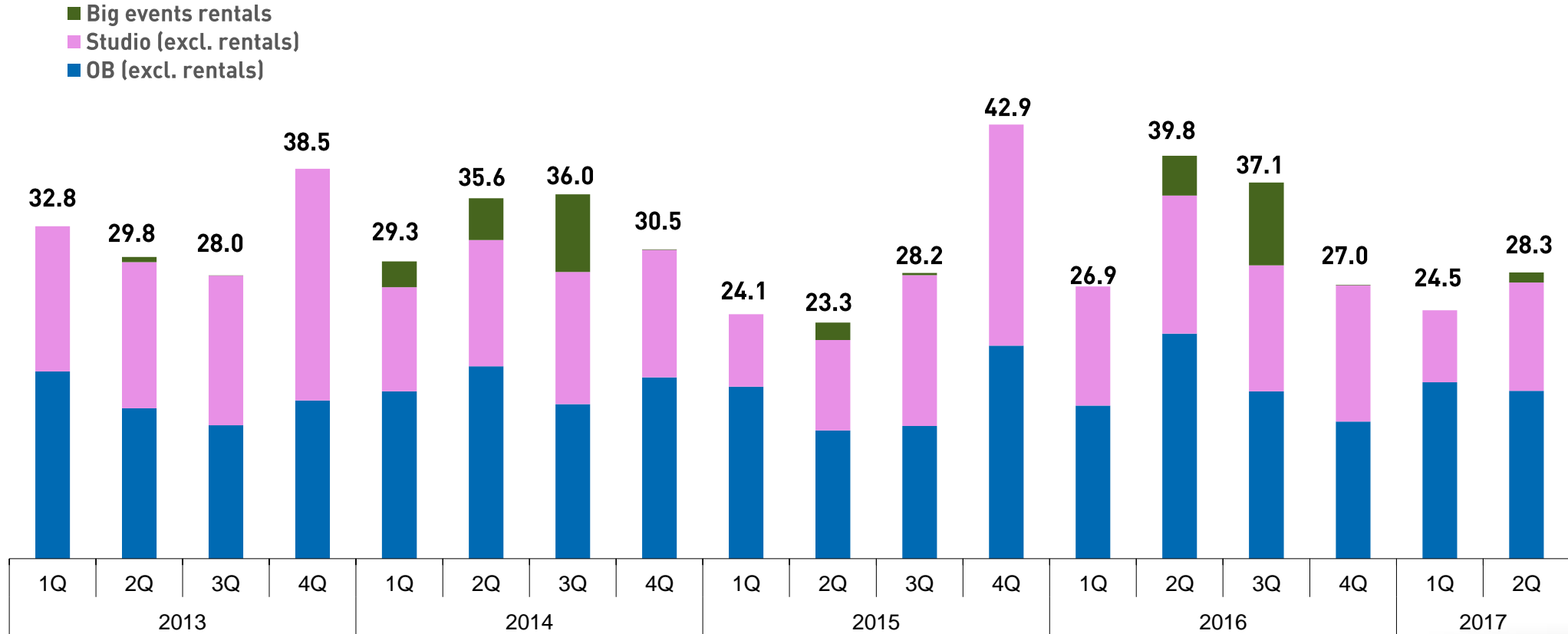
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AGENDA

▶ Financial and business review

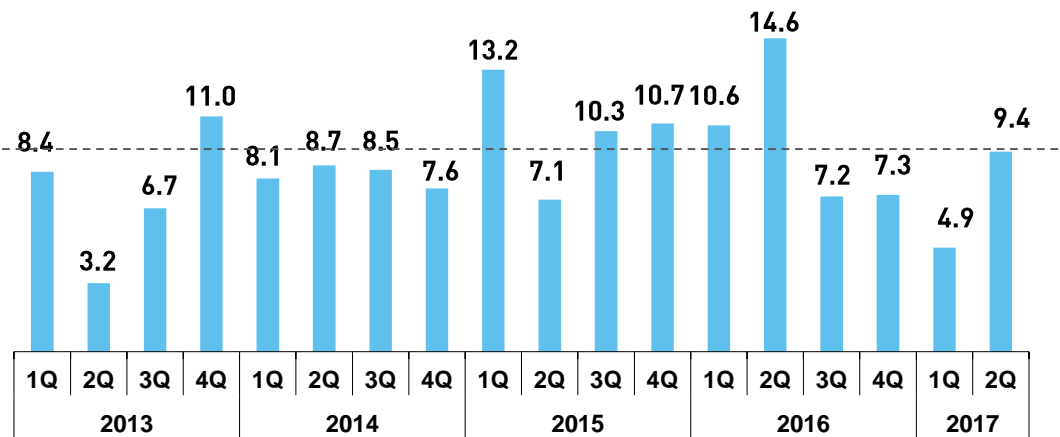
▶ Outlook

Q2 REVENUE: EUR 28.3 million

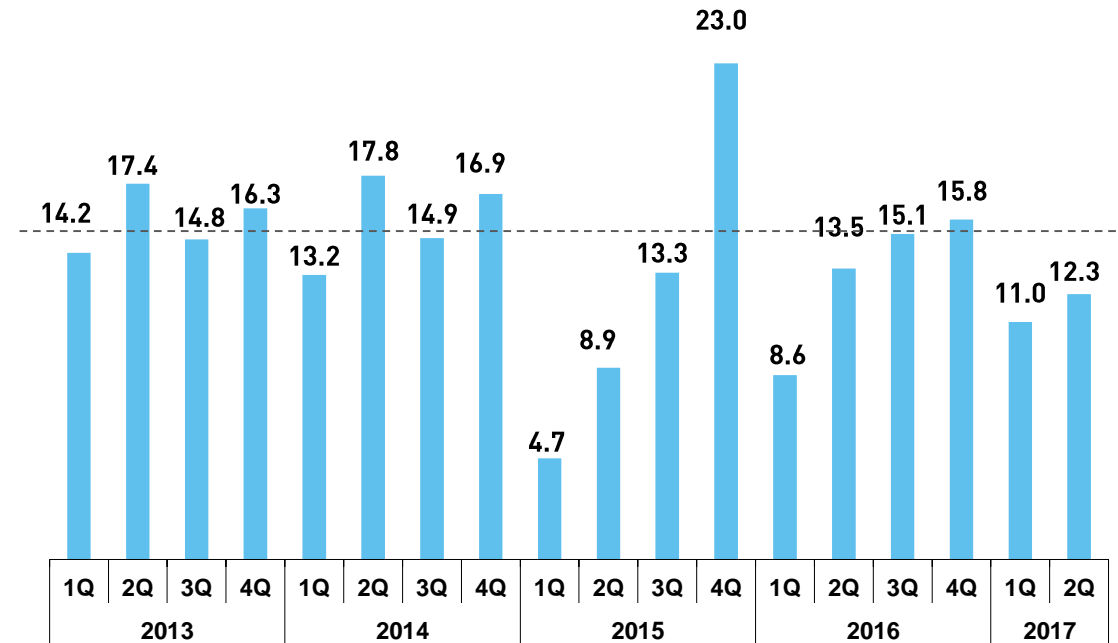


Q2 REVENUE: GEOGRAPHICAL SPLIT

Americas (excl. events)

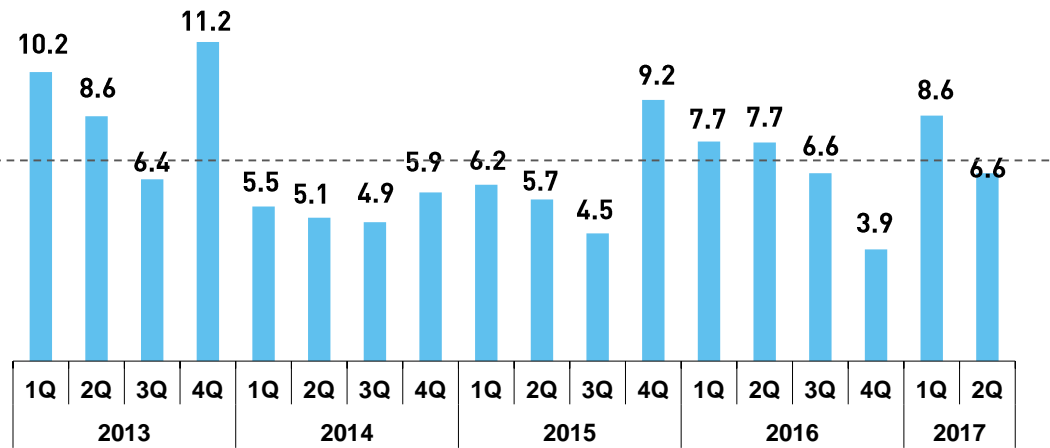


EMEA (excl. events)

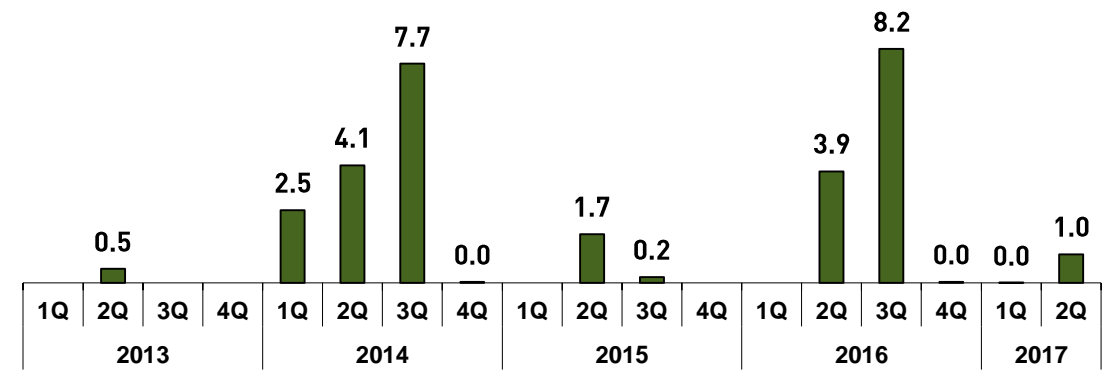


Q2 REVENUE: GEOGRAPHICAL SPLIT

APAC (excl. Events)



Big event rentals



2Q17

Good gross margin thanks to product mix

| In millions of EUR | 2Q17 | 2Q16 |
|---------------------------------|--------------|--------------|
| REVENUE | 28.3 | 39.8 |
| Cost of sales | (7.2) | (9.0) |
| Gross margin | 21.1 | 30.7 |
| Gross margin % | 74.5% | 77.3% |
| S&A | (7.6) | (7.4) |
| R&D | (6.0) | (5.4) |
| Other revenues | 1.2 | 0.0 |
| EBIT | 7.9 | 17.4 |
| EBIT MARGIN | 28.0% | 43.7% |
| Financial result | (0.5) | 0.0 |
| Taxes | (1.9) | (4.8) |
| NET PROFIT | 5.5 | 12.6 |
| BASICS EPS ¹⁾ | 0.41 | 0.93 |

▸ Gross margin

- Lower sales
- USD exchange rate
- + Product mix

▸ Opex: +5.5% vs 2Q16

- One-time elements in 2Q16

▸ One-time gain following reversal of debt (Earn out SVS)

▸ EBIT margin of 28%

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

1H17

Good gross margin thanks to product mix

| In millions of EUR | 1H17 | 1H16 |
|---------------------------------|--------------|--------------|
| REVENUE | 52.8 | 66.6 |
| Cost of sales | (14.5) | (17.0) |
| Gross margin | 38.3 | 49.7 |
| Gross margin % | 72.5% | 74.6% |
| S&A | (13.7) | (13.9) |
| R&D | (12.2) | (11.3) |
| Other revenues | 1.3 | 1.1 |
| EBIT | 12.8 | 24.9 |
| EBIT MARGIN | 24.3% | 37.4% |
| Financial result | (0.6) | (0.7) |
| Taxes | (3.2) | (6.8) |
| NET PROFIT | 9.1 | 17.5 |
| BASICS EPS ¹⁾ | 0.67 | 1.29 |

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

▶ Gross margin:

- Lower sales
- USD exchange rate
- + Product mix

▶ Opex: +2.9% vs 1H16

- ▶ Acceleration of innovation and new product developments

▶ Other revenues

- ▶ One-time gain following reversal of debt (Earn out SVS)

▶ EBIT margin of 24.3%

▶ EPS: 0.67€

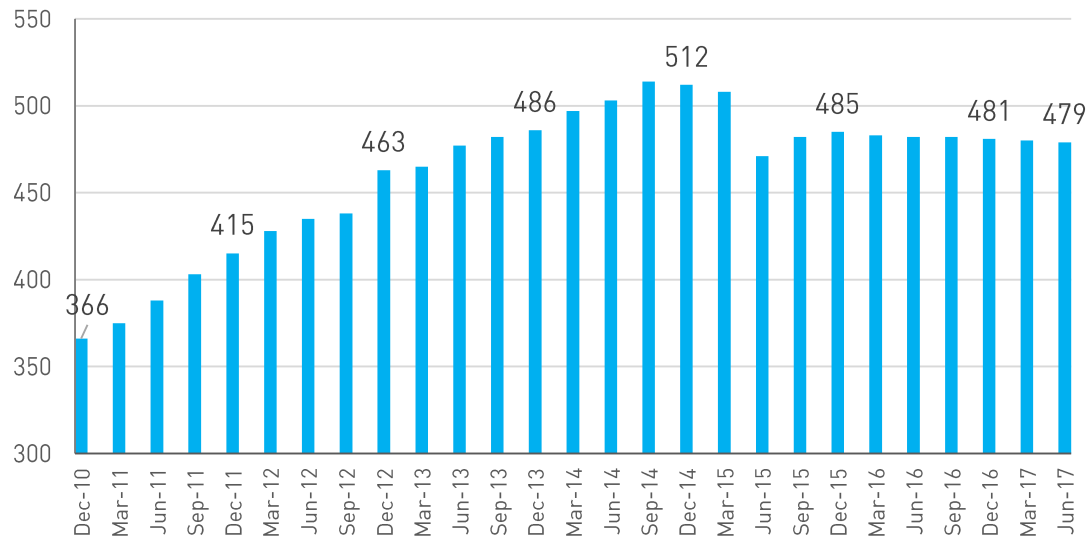


FTE EVOLUTION

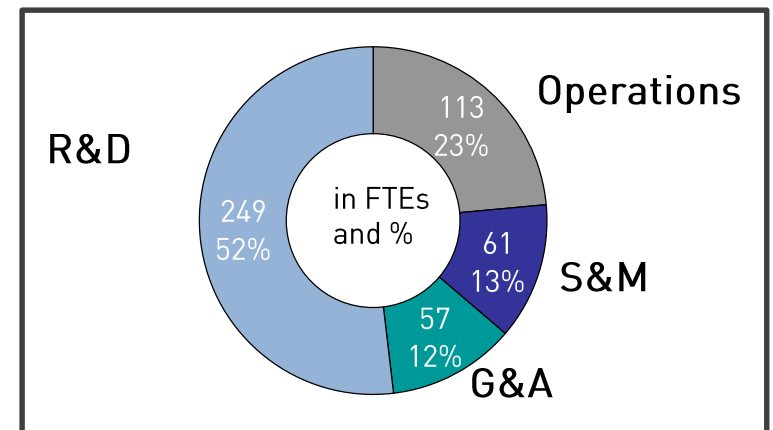
479 FTE at the end of June 2017

- ▶ -2 FTE vs 31/12/2016
- ▶ Average 479 FTE in 1H17

Headcount evolution (FTE)



Headcount 06/2017 (FTE)



STRONG BALANCE SHEET

EUR 41.7 million cash

| In millions of EUR | June 2017 | Dec. 2016 |
|--------------------------------------|--------------|--------------|
| ASSETS | | |
| Goodwill and intangibles | 1.4 | 1.5 |
| Lands and buildings | 46.1 | 46.8 |
| Investments at equity | 1.0 | 1.0 |
| Inventories | 14.9 | 13.5 |
| Receivables | 19.4 | 24.9 |
| Cash | 41.7 | 53.2 |
| Assets held for sale | 4.0 | 4.0 |
| Deferred tax assets | 3.7 | 4.1 |
| Other assets | 10.7 | 11.3 |
| Total assets | 142.9 | 160.3 |
| EQUITY AND LIABILITIES | | |
| Total equity | 97.2 | 97.4 |
| Non-current liabilities | 13.2 | 16.9 |
| Short term portion of financial debt | 5.3 | 5.3 |
| Trade payables | 4.3 | 3.7 |
| Income tax payable | 8.0 | 17.1 |
| Other current liabilities | 14.9 | 19.9 |
| Total equity and liabilities | 142.9 | 160.3 |

- ▶ Healthy balance sheet, with a net cash position of EUR 23.2 million:
 - EUR 41.7 million in cash & cash equivalents
 - Financial long-term debt of EUR 13.2 million (+EUR 5.3 million short term portion)
 - Dividend paid in May

- ▶ Income tax payable
 - Timing effect

CASH FLOW STATEMENT

| In millions of EUR | 1H17 | 1H16 |
|--|---------------|--------------|
| Net profit, groupe share | 9.1 | 17.5 |
| Cash generated from operations | 13.7 | 26.7 |
| <i>Income taxes paid</i> | <i>(12.0)</i> | <i>(5.6)</i> |
| Net cash from operating activities | 1.7 | 21.1 |
| Net cash used in investing activities | (0.5) | 0.4 |
| Net cash used in financing activities | (12.7) | (10.7) |
| Cash & cash equivalents (beginning of period) | 53.2 | 22.6 |
| Cash & cash equivalents (end of period) | 41.7 | 33.3 |

- ▶ Healthy cash generation
 - Timing of income taxes payments
- ▶ Limited capex in 1H17
- ▶ Final dividend paid in May

BUSINESS HIGHLIGHTS

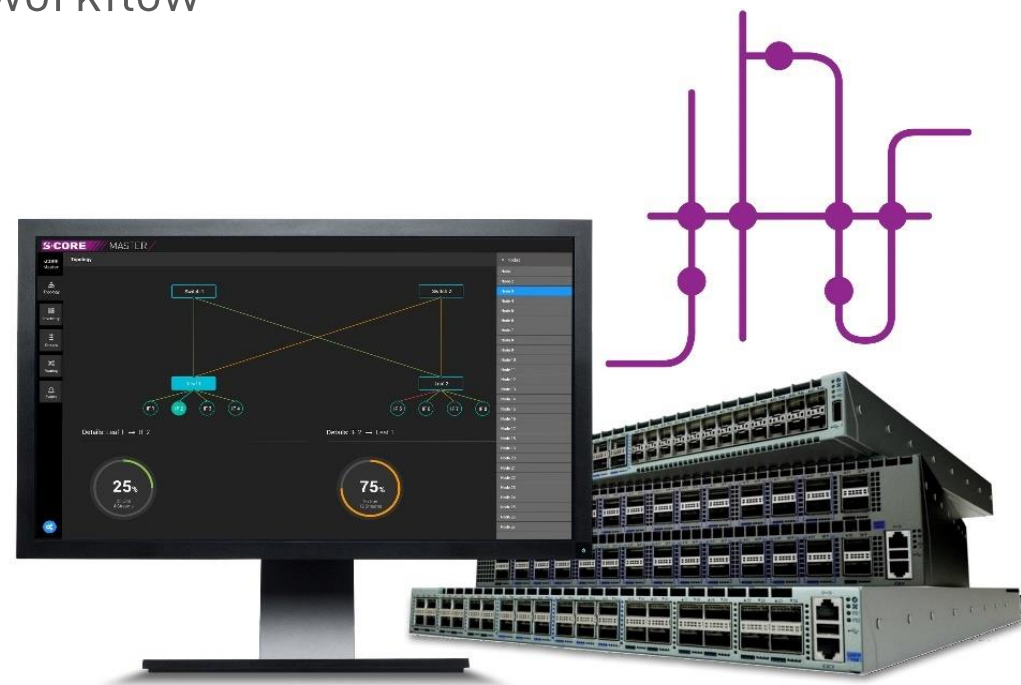
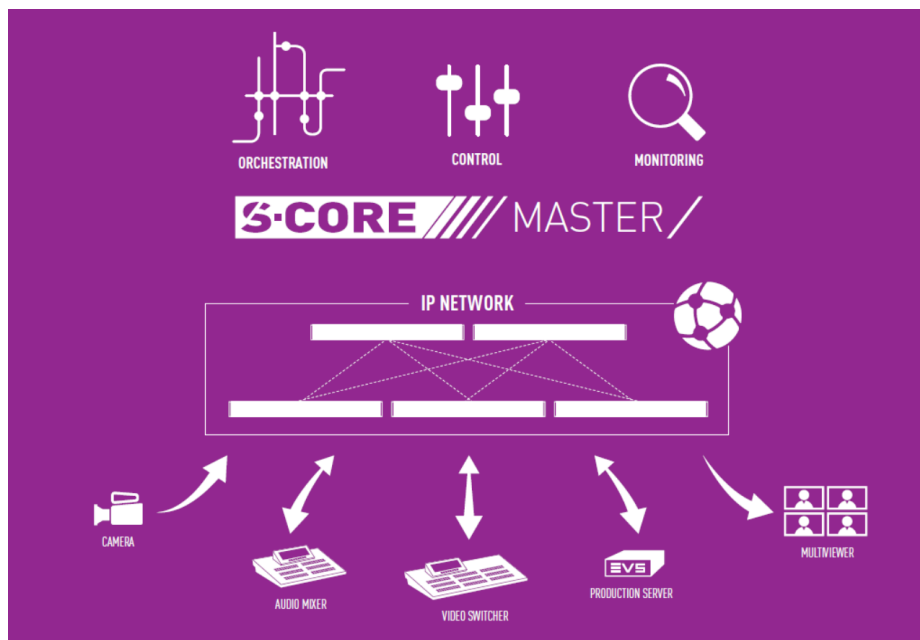
- ▶ First half market trends
 - 4K upgrades, as part of replacement cycle
 - Adoption of IP continues
 - Customers cautious with investments as their revenues are under pressure
- ▶ Preparing for IBC tradeshow
 - Innovation highlighted in an industry in mutation

IBC TRADESHOW

S.CORE Master – IP routing and orchestration



- ▶ Central orchestrator (management of live IP video flows) within an IP-connected network
- ▶ Guarantee the delivery of bandwidth-demanding live media throughout the infrastructure, creating a more efficient overall workflow

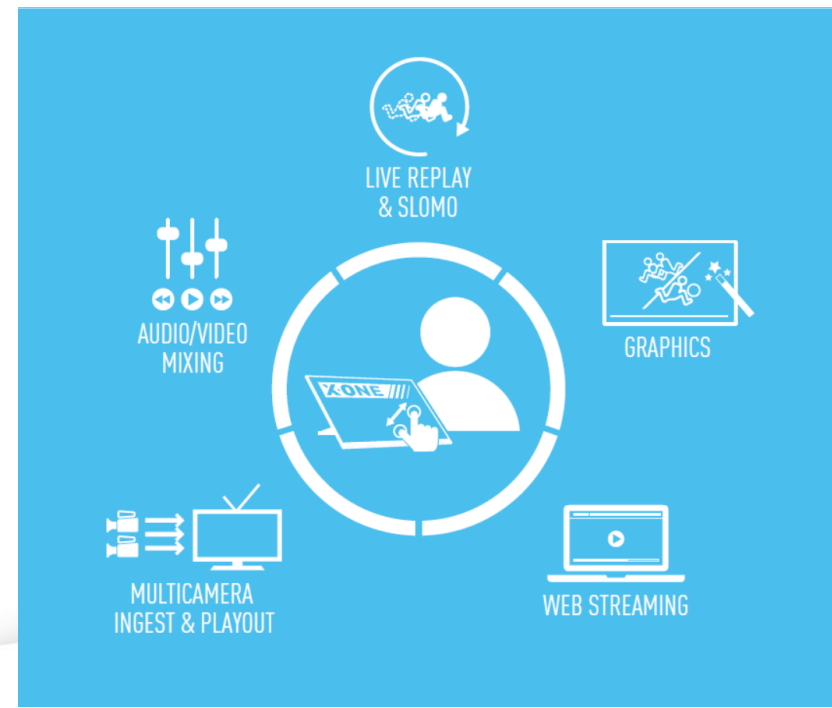


IBC TRADESHOW

X.ONE – all-in-one tool for small live production



- ▶ Unique tool allowing a single operator to manage small live productions
 - Support of 6 cameras
 - Replays and highlights
 - Graphics
 - Mixing
- ▶ Full IP - GPU-based technology
- ▶ Reduces production costs



AGENDA

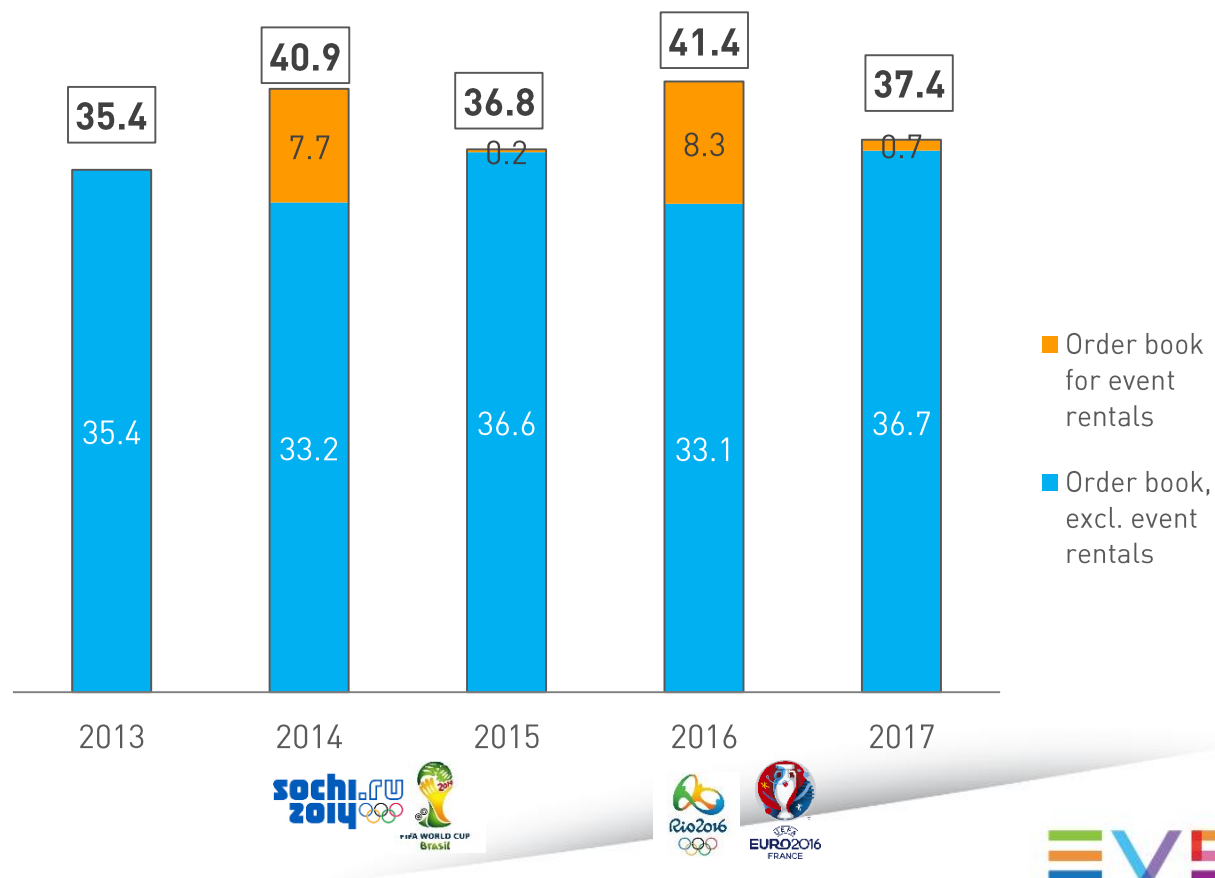
- ▶ Financial and business review

- ▶ Outlook

OUTLOOK – ORDER BOOK AT AUGUST 25, 2017: EUR 37.4 MILLION

-9.6% compared to last year

- ▶ -9.6% vs last year (+10.9% excl. big event rentals)
- ▶ Order book is 50-50% OB / studio
- ▶ 80-85% of EUR 37.4 million order book to be invoiced on 3Q17
- ▶ Includes EUR 0.7 million rentals for big events, and the 2017 portion of the NEP contract
- ▶ For 2018 and beyond: EUR 22.4 million, including:
 - EUR 9.0 million for big event rentals
 - 2018 portion of NEP contract



OUTLOOK

2017 guidance

- ▶ For 2017, there are no major big event planned
- ▶ We expect revenues to be in the EUR 115 million – EUR 125 million range
- ▶ We forecast a moderate increase of our operating expenses to sustain our efforts in innovation and new product developments

CONTACT

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