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EVS Broadcast Equipment S.A.: Euronext Brussels (EVS.BR), Bloomberg (EVS BB), Reuters (EVSB.BR)

## **EVS Q1 2021 Business update – Strong post-Covid recovery in our 3 Market Pillars**

- > **EVS global leader in live video technology for broadcast and new media productions today announces its business update for the first quarter ending 31 March 2021.**

### **HIGHLIGHTS**

- *2021 Booked revenues\* as of March 31st are EUR 54,0 million (excl Big Event Rental), vs EUR 36,9 million at the same date last year (+ 46,3% vs last year). Considering the high probability that the large European and Asian summer sport events will take place, there is an additional EUR 13,2 million of revenues to be recognized for the Big Events Rental later this year.*
- *Operational expenses continue to be closely managed and EVS expects those costs to slightly increase compared to 2020 mainly based on the full year impact of the addition of our MediaInfra solutions (through the acquisition of Axon in May 2020).*
- *The EVS General Assembly approved the payment of a dividend of EUR 0,5/share for the year 2020 to EVS' shareholders, to be paid in May 2021.*
- *Based on the assumption that the pandemic is getting worldwide under control by Q3 2021 and that the major summer sport events are taking place as planned, we expect 2021 revenues to be in the range between EUR 110 million and EUR 120 million.*

### **COMMENTS**

Serge Van Herck, CEO comments the business development: "Based on our Q1 results and a continued strong order intake, I am cautiously optimistic for 2021. Our customers are showing clear signs of post-Covid recovery. This provides us sufficient confidence to release a revenue guidance for 2021 of EUR 110 million to EUR 120 million. Compared to EUR 88 million revenue in 2020, this shows the level of expected recovery.

Our 3 Market Pillars (Live Service Providers, Live Audience Business and Big Event Rental) are showing revenue growth compared to 2020.

Our Live Service Providers (LSP) customers are restarting their LiveCeption (our live production replay and highlights solution) upgrade programs, leveraging our new LSM-VIA for remote production as it has been proven once again during the Superbowl and many other major sporting events. The recent launch of XtraMotion is a great addition to our LiveCeption solution and is expected to further revolutionize the quality and intensity of our customers' storytelling. XtraMotion is our cloud-based super slow-motion service that is based on our own innovative Artificial Intelligence implementation and was extensively and successfully tested by Fox Sports in the US for various sports. Thanks to XtraMotion our customers will be able to turn images from any type of camera into a super slow-motion effect but without the hefty investment in a large and expensive super slow-motion camera.

\*Booked revenues include:

- already recognized revenues from previous years and current year orders
- previous years and current year orders currently planned to be recognized in the current calendar year

Next to this, I am particularly happy with the traction that we experience with our Live Audience Business (LAB) customers for their broadcast center modernization projects. Our EVS MediaCeption solution (content management for live productions) currently in operation by several customers is a proof point for the market that EVS is a trusted partner for these challenging transformation journeys.

For our Big Event Rental, EVS will support the live production of the major sport events this summer. I'm also proud to say that the host broadcasters for two major sport events in 2022 have recently renewed their trust in our solutions and services.

Since the major acquisition of Axon in May 2020, it is good to see that the operational integration has progressed according to plan. Our new MediaInfra solutions have been fully integrated into our solution portfolio and have started to generate the expected customer interest across the globe. Thanks to the involvement of many stakeholders, EVS is now proposing a disruptive, future safe and TCO (Total Cost of Ownership) optimized approach for our customers engaging in the modernization of their media infrastructure.

To overcome potential shortages of electronic components due to the current market conditions, we have secured our inventory and we expect to be able to deliver our products to our customers within normal timeframes.

Overall, we feel the resilience of our teams and we hope to get out stronger from this period of pandemic.”

Commenting on the results and the outlook, Ingrid ROGY, CFO ai, said: “Our 2021 booked revenues\* (without Big Event Rental) as of March 31st amount to EUR 54,0 million, with about 85% expected to be recognized as revenues in H1 2021. There is also an additional EUR 13,2 million of revenues that will be recognized in 2021 for Big Event Rental that will take place during the summer of this year. Until end of March, the order intake progressed well versus the same period last year, with +39.8 % order intake (excl. Big Event Rental). End of April, we have a strong order book especially thanks to our strong EMEA and NALA activities.”

## **EVS MARKET DYNAMICS & CUSTOMER WINS**

We observe a recovery in the revenues from the 3 market pillars (Live Service Providers – LSP, Live Audience Business – LAB and Big Event Rental – BER), each strongly impacted by the pandemic in 2020.

EVS has shipped its needed equipment to support the major summer events as planned, leading to revenue recognition of related revenues later during this year. Host broadcasters of major events in 2022 also renewed their trust in EVS and its continuous innovation to improve the flexibility and operation easiness in these critical productions.

LSPs are restarting the upgrades of their infrastructure to leverage the unequalled power of XT-VIA and its capability to nicely support remote production thanks to the addition of LSM-VIA.

Thanks to our VIA platform based MediaCeption solution, EVS continues to receive new orders from LAB customers for multi-million multi-year modernization contracts. And the revenues linked to major orders booked in 2020 are now started being recognized based on the successful deployment of the systems, currently in operation.

EVS did also recently launch its new version of its website, better highlighting and simplifying its strong and broad portfolio of solutions:

- LiveCeption: Live production, replay & highlights
- MediaCeption: Production Asset Management
- MediaInfra: Workflow & infrastructure

These solutions contribute to the revenues of the different market pillars.

MediaInfra (former Axon) orders continue to materialize. New offerings are being developed, which are expected to start supporting the growth of these solutions.

After an extensive incubation and machine learning period, and after a series of tests for different kinds of content, EVS launched its XtraMotion service, a cloud-based service aimed to create impressive slow-motion replays. This service complements and enhances LiveCeption solutions. XtraMotion is a cloud-based service that allows production teams to transform any live footage, as well as post and archived content into super slow-motion replays. Designed to be seamlessly integrated into EVS' live production ecosystem, replay operators can simply clip any content from anywhere on the network, render it to super slow-motion and play it back in seconds from their EVS replay server. Using machine learning algorithms, the rendering process can be applied on-demand on any production format and on any original framerate to create high quality super slow-motion content, from any camera, with unrivalled results. Available as a cloud-based service, XtraMotion can be deployed in instants, whenever and wherever customers need it, with no additional hardware required on site.

EVS enjoyed more key wins during the first quarter:

- Many customers continue to upgrade their XT3 servers towards the latest XT-VIA generation. The move from SDI to IP and the increased need for remote production, are clearly supporting trends.
- EVS received a major multi-million multi-year XT fleet upgrade order for a large and trend setting OB Van company in the USA. EVS also received important orders from key players accelerating their XT server fleet upgrade in different countries in Western Europe.
- A major US network sport broadcaster decided to order a multi-million EVS MediaCeption solution and will therefore migrate away from its current content management solution provider. This will be a state of the art solution that enables the modernization of their content production hybrid workflows, supported by both on-premises based equipment and cloud based elements.
- Various new MediaCeption content management implementations (based on the VIA platform architecture) are being deployed and put into operation, confirming the relevance of the platform for our customers as critical part of their transformation journey.
- A first large MediaInfra deal has been closed in the USA based on Neuron and Cerebrum in partnership with an integrator proposing end-to-end EVS solutions.
- As every year, EVS equipment did efficiently enable the live production of the “LV Super Bowl”, operated by CBS this year.

## **OUTLOOK**

The 2021 booked revenues\* on March 31st, 2021 amounts to EUR 54,0 million compared to EUR 36,9 million last year (YOY + 46,3%, excluding Big Event Rental). Additional EUR 13,2 million orders already received for Big Event Rental will be delivered and recognized later in 2021.

In addition to those 2021 booked revenues\*, EVS has EUR 14,7 million of orders to be invoiced in 2022 and beyond (excl. Big Event Rental).

Based on the assumption that the pandemic is getting worldwide under control by Q3 2021 and that the major summer sport events are taking place as planned, we expect that revenues for 2021 will be landing in a range between EUR 110 million and EUR 120 million.

Operational expenses continue to be closely managed and EVS expects those costs to slightly increase compared to 2020 mainly due to the full year impact of the MediaInfra acquisition (Axon) that was performed in May 2020.

## **CORPORATE CALENDAR:**

August 26, 2021: 2Q21 & 1H2021

Results November 18, 2021: 3Q21 trading update

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### **For more information, please contact:**

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### **Forward Looking Statements**

This press release contains forward-looking statements with respect to the business, financial condition, and results of operations of EVS and its affiliates. These statements are based on the current expectations or beliefs of EVS's management and are subject to a number of risks and uncertainties that could cause actual results or performance of the Company to differ materially from those contemplated in such forward-looking statements. These risks and uncertainties relate to changes in technology and market requirements, the company's concentration on one industry, decline in demand for the company's products and those of its affiliates, inability to timely develop and introduce new technologies, products and applications, and loss of market share and pressure on pricing resulting from competition which could cause the actual results or performance of the company to differ materially from those contemplated in such forward-looking statements. EVS undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

### **About EVS**

We create return on emotion.

EVS is globally recognized as a leader in live video technology for broadcast and new media productions. Our passion and purpose are to help our clients craft immersive stories that trigger the best return on emotion. Through a wide range of products and solutions, we deliver the most gripping live sports images, buzzing entertainment shows and breaking news content to billions of viewers every day – and in real-time.

The company is headquartered in Belgium with offices in Europe, the Middle East, Asia and North America, and provides sales and technical support to more than 100 countries.

EVS is a public company traded on Euronext Brussels: EVS, ISIN: BE0003820371.

For more information, please visit [WWW.EVS.COM](http://WWW.EVS.COM).

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