

EVS: 4Q11 and FY11 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", "XDC" 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-global.com



Agenda

- ▶ **Financials**
- ▶ **Business update**
- ▶ **Outlook**
- ▶ **Corporate**

Agenda

▶ Financials

▶ Business update

▶ Outlook

▶ Corporate

Highlights 2011

▶ Key Highlights:

- ▶ Key wins: OB Panorama (Russia), studio project (Eastern Europe), Sport Center (EMEA)
- ▶ Record order book: EUR 46.1 million (+83%) !
- ▶ 2012: big events

▶ FY11 results:

- ▶ EUR 106.9 m revenue (-3.8% vs. 2010, +6.3% at cst xrates excl. big event rentals)
- ▶ Operating margin of 41.3%
- ▶ EPS of EUR 2.38 (vs 2.82 in 2010)

▶ Record order book: EUR 46.1 million at Feb. 15 (+73.0% excl. big events)

- ▶ A few large projects, but also lots of smaller deals
- ▶ 54.1% of order book is studio with longer leadtime

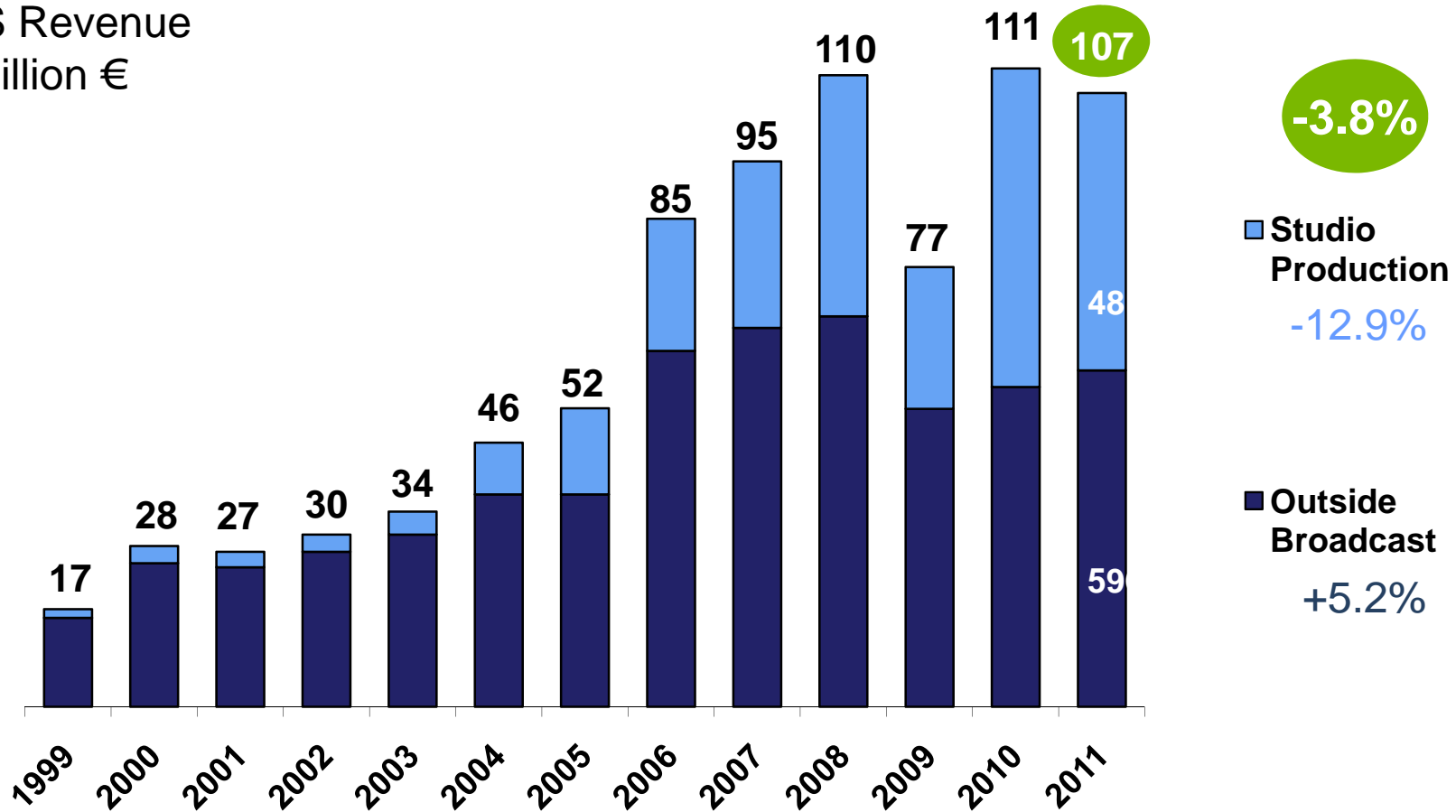
▶ Expectations for 2012

- ▶ Product launches
- ▶ Stronger 1H12, also thanks to the big events
- ▶ More uncertainty on 2H12

2011 revenue: -3.8%

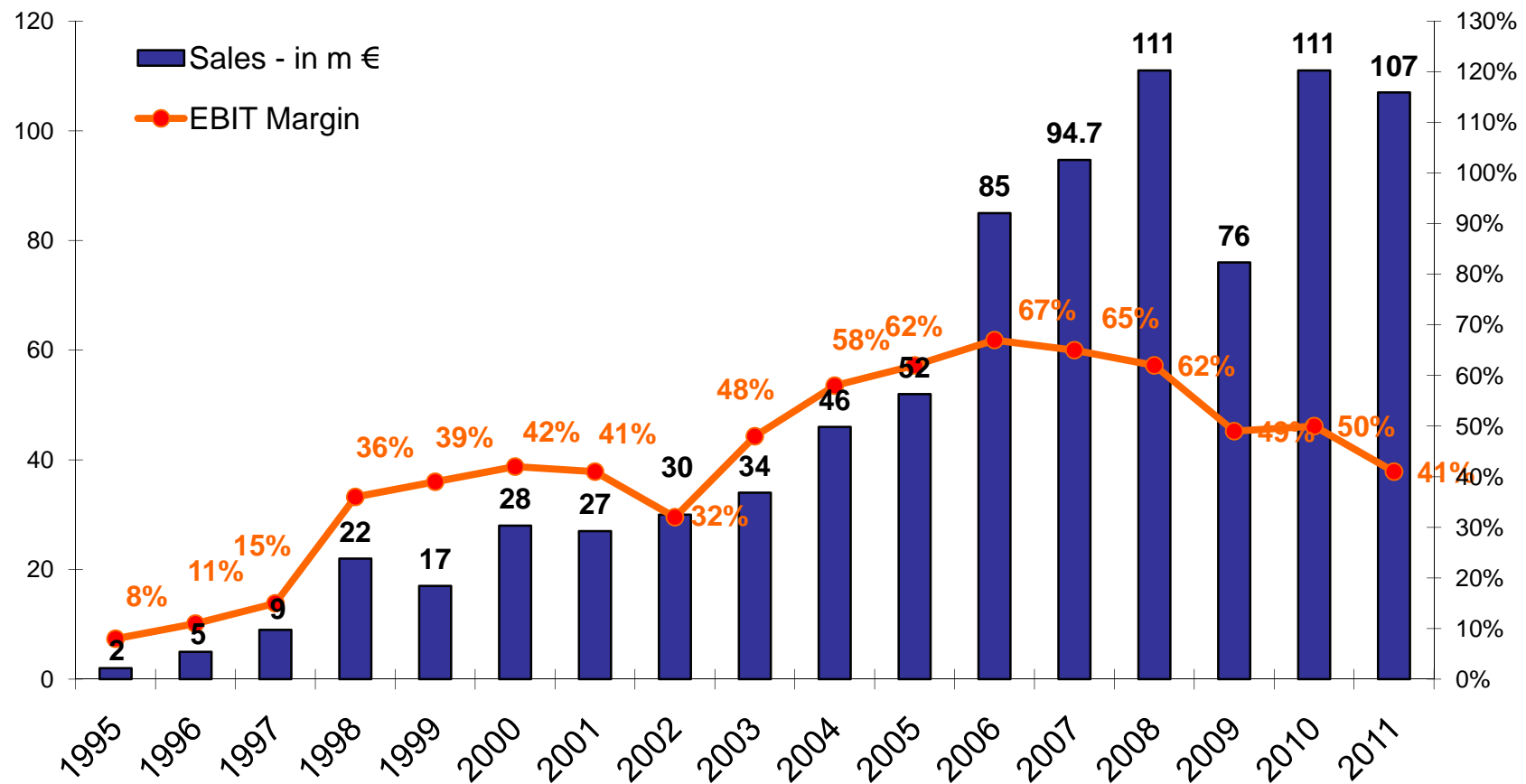
+6.3% at cst exch. rate excl. big events

EVS Revenue
in million €



Turnover 2011: EUR 106.9 million

EBIT margin 41%



* estimate subject to usual forward looking statements



Turnover 2011: EUR 106.9 million

EUR millions

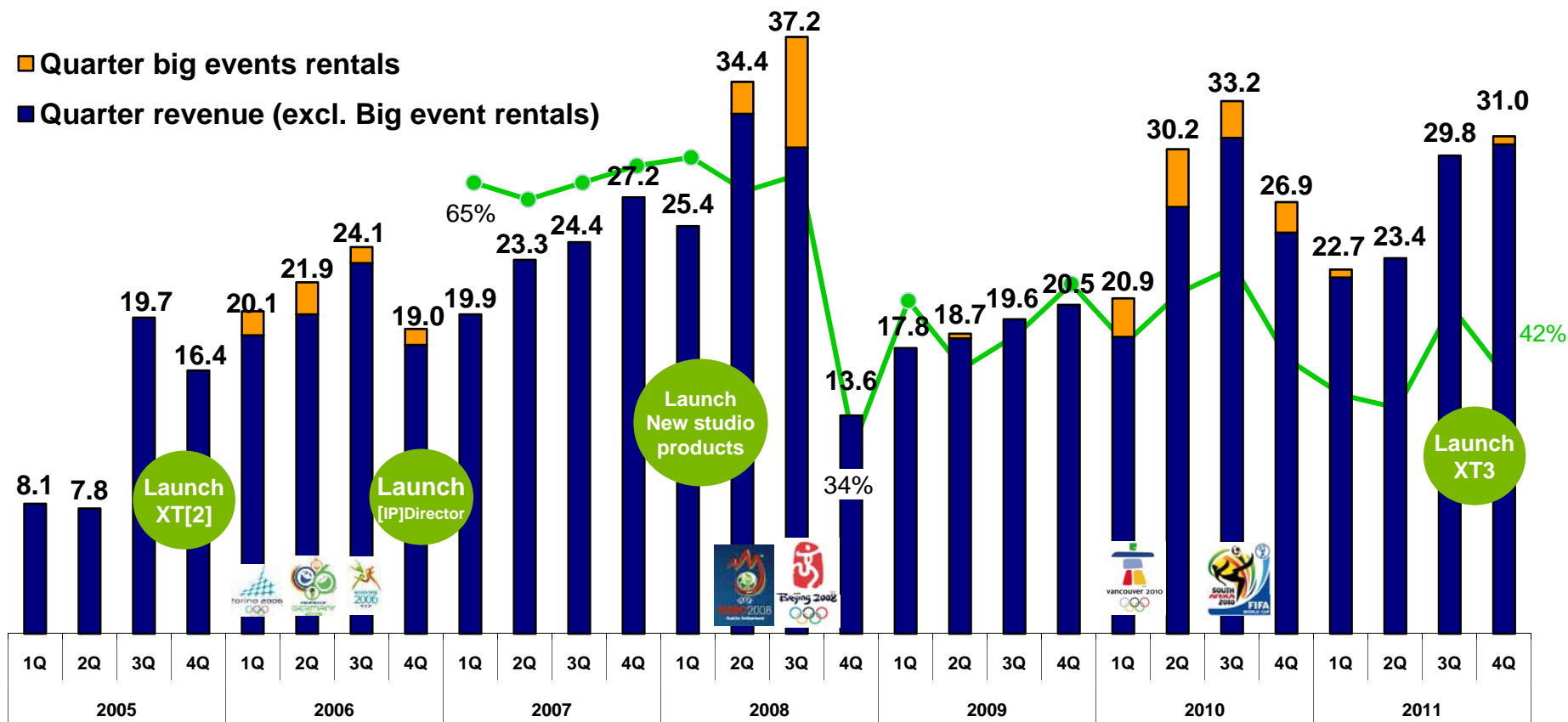
— EBIT %

■ Quarter big events rentals

■ Quarter revenue (excl. Big event rentals)

2010

2011

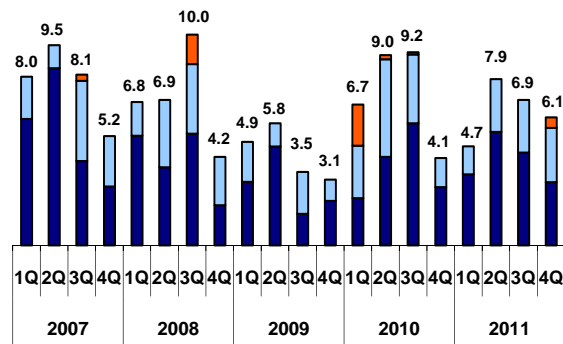


Sales by region

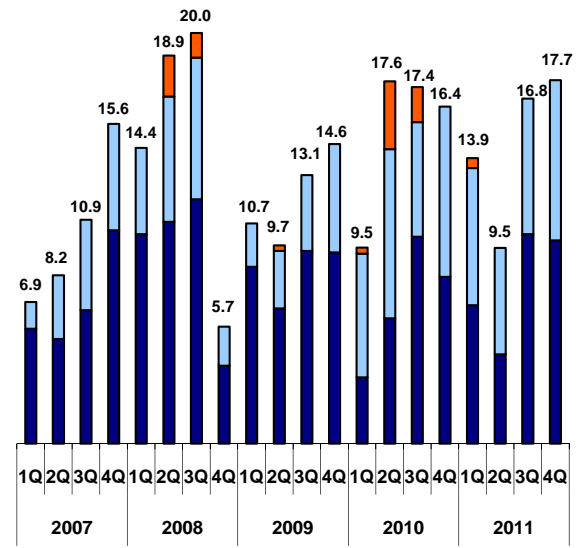
Big disparities in the trends between the regions

Revenue, EUR millions, quarterly

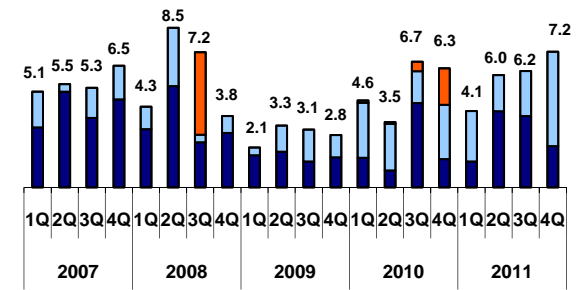
NALA



EMEA



APAC



- OB revenue (excl. rentals)
- Studio revenue (excl. rentals)
- Quarter big events rentals



4Q11 Revenue of EUR 31.0 million

Reported

In millions of EUR	4Q10	3Q11	4Q11
Revenue	26.9	29.8	31.0
Cost of sales	(6.3)	(5.7)	(6.8)
Gross margin	76.6%	81.0%	78.0%
S&A	(4.2)	(4.8)	(5.5)
R&D – gross	(4.9)	(5.3)	(5.6)
R&D – tax credit	0.9	0.2	0.3
EBIT	11.8	13.9	13.0
EBIT margin	43.9%	46.6%	41.9%
Exchange result	0.1	0.1	0.0
XDC at equity	0.1	0.5	(0.7)
Taxes	(3.9)	(4.4)	(4.7)
Net profit	8.2	10.0	7.5
Net profit from Ops	8.4	9.8	8.7
Basic EPS from Ops ¹⁾	0.62	0.73	0.65

Actual Q4

- ▶ **Sales**
 - ▶ +15.3% vs 4Q10
- ▶ **Gross margin**
 - ▶ Positive impact of fixed costs portion from COGS
- ▶ **EBIT**
 - ▶ Opex up 30.5% due to higher employee count and commercial fees to distributors, EUR 0.3 million costs associated with the departure of Pierre L'Hoest
 - ▶ R&D includes EUR 0.3 million tax credit in 4Q11 (EUR 0.9 m in 4Q10)
- ▶ **EPS**
 - ▶ Higher taxes due to EUR 0.5m adjustment for 2009 and 2010 in relation with tax shelter



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

FY11 Revenue of EUR 106.9 million

Reported

Actual FY

In millions of EUR	FY10	FY11
Revenue	111.2	106.9
Cost of sales	(22.6)	(23.1)
Gross margin	79.6%	78.4%
S&A	(15.1)	(19.6)
R&D – gross	(17.1)	(20.5)
R&D – tax credit	0.9	2.1
EBIT	55.5	44.1
EBIT margin	50.0%	41.3%
Exchange result	(0.7)	0.0
XDC at equity	(0.2)	2.3
Taxes	(16.7)	(14.3)
Net profit	38.1	32.1
Net profit from Ops	39.7	31.7
Basic EPS from ops ¹⁾	2.94	2.35

- ▶ Sales
 - ▶ -3.8% vs FY10, but +6.3% at constant exchange rate and excl. big event rentals
- ▶ Gross margin
 - ▶ Lower mainly due to lower sales
 - ▶ R&D includes tax credit of:
 - 2011: EUR 2.1 million (incl. €1.1m one-time)
 - 2010: EUR 0.9 million
- ▶ EBIT
 - ▶ Opex up by 21.6%
- ▶ XDC
 - ▶ Includes EUR 2.1 million (EVS share) profit on sale of CineStore activities in 1Q11
- ▶ EPS
 - ▶ Taxes up, partially following adjustment in Q411

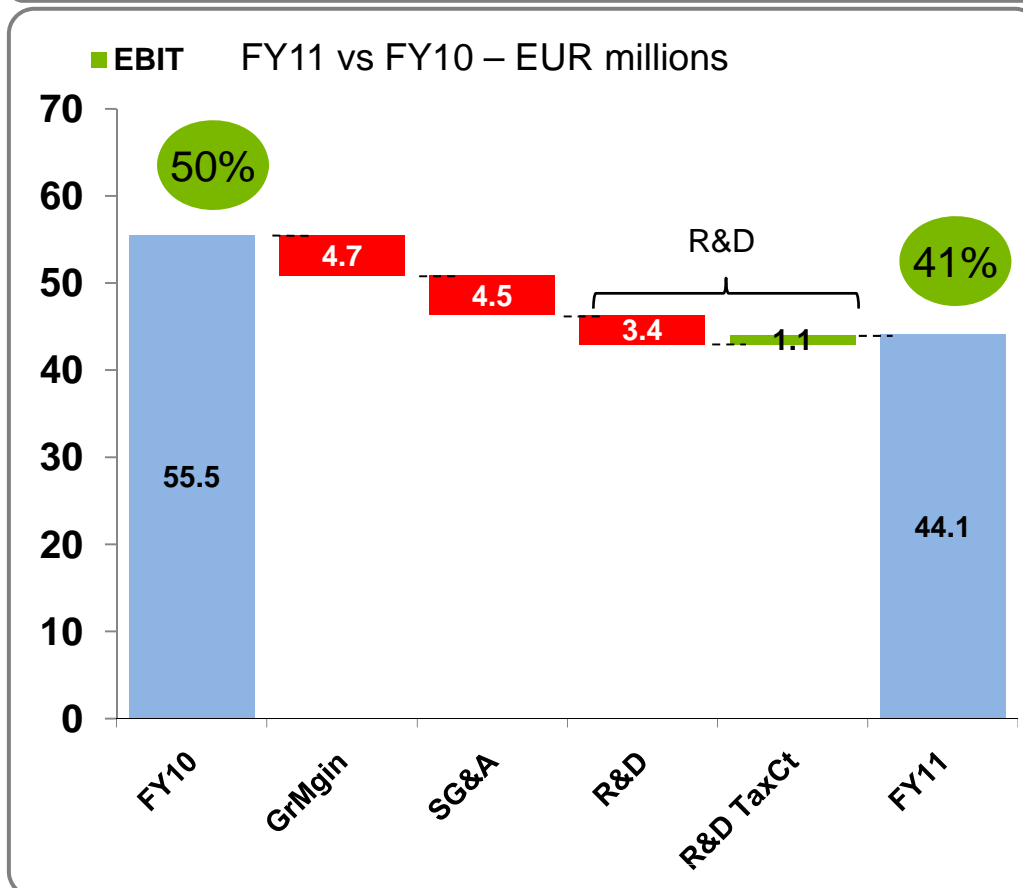


1) Basic EPS is computed on the adjusted number of shares, i.e. less own shares

FY11 EBIT waterfall vs. FY10

Fixed cost base weighs

Breakdown of -11.4m EBIT variance



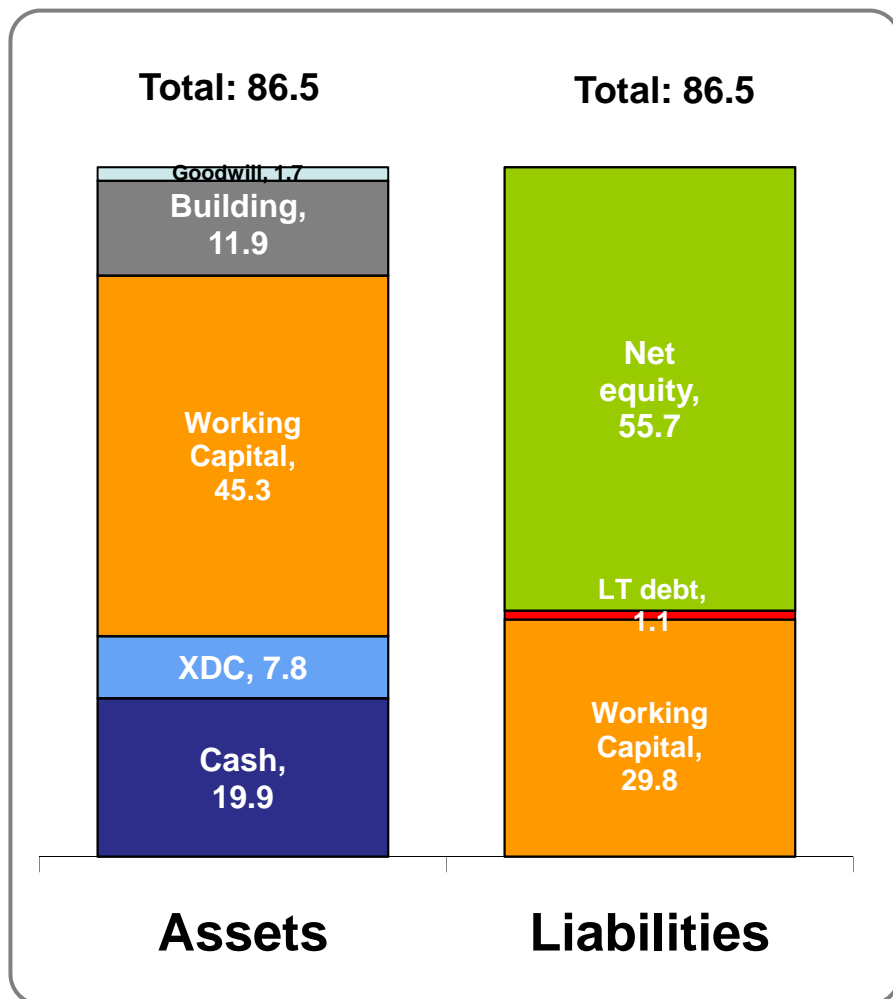
Highlights

- ▶ Negative leverage from 3.8% lower sales
- ▶ 22% higher opex, partially offset by tax credit
- ▶ Opencube: opex +0.5m in FY11 (consolidated since 2Q10)

EVS strong balance sheet at 31/12

EUR 19.9 million cash on the balance sheet

December 31, 2011 Balance Sheet



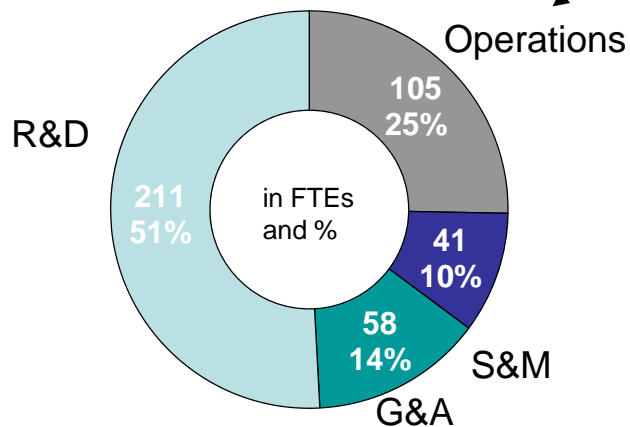
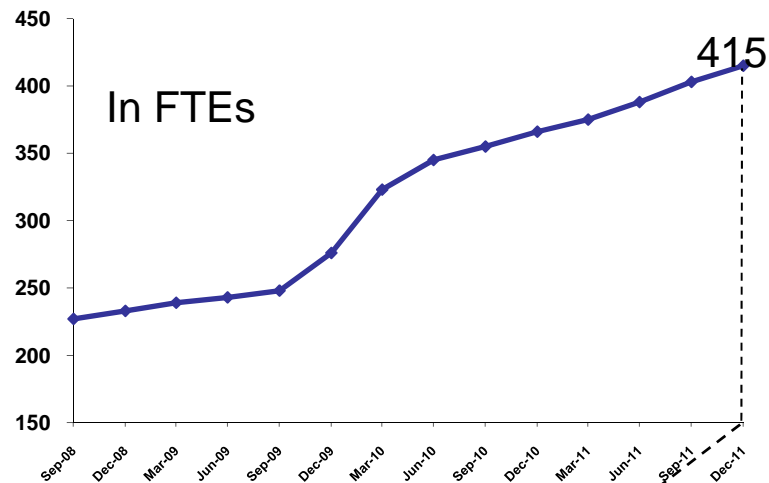
Highlights

- ▶ Equity = 64% of total B/S
- ▶ 183,372 own shares (offset equity)
- ▶ Inventory: HDD buffer, XT3
- ▶ Cash = 23% of assets: short term deposits
- ▶ Dividend = 36m
 - ▶ Jun11 = 20 m (1.48 p.sh.)
 - ▶ Nov11 = 16 m (1.16 p.sh.)
- ▶ DSO ~71 days
- ▶ Net Wking Capital = 1.7 sales month

Team growth, +% over 1 year

50% in R&D

Headcount evolution @31/12



Leverage effect on future sales

- ▶ Net +49 employees in 12 months
- ▶ Strong recruitments in 2010
- ▶ Added-value recruitments
 - ▣ HQ
 - ▣ 20 foreign offices
- ▶ Investment in
 - ▣ Innovation: 51% R&D
 - ▣ Expansion: 35% sales & ops
- ▶ New building and foreign offices extensions



XDC contribution to EVS Group in FY11

FY11 Income Statement

XDC 100%	FY10	FY11
<i>In millions of EUR</i>		
Revenue	61.2	84.3
EBITDA	8.7	17.8
Gain on Cinestore deal, net	-	4.4
Net result	-0.5	5.6
EVS share	x 41.3%	x 41.3%
XDC contribution	-0.2	2.3

Leading EU deployment

- ▶ 41.3% affiliate of EVS since 31/12/09
- ▶ Sales: +37.8%
- ▶ EBITDA margin of 21.1%
- ▶ Net result includes EUR 4.4 million of one-time profit relating to the Cinestore disposal (1Q11)

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All-time record deal in Russia

Recognition of EVS strengths by Top national players

panorama

- ▶ Panorama, biggest and most innovative Russian Sports production company

- ▶ Preparation of upcoming large sporting events:

- ▶ Kazan Universiades, 2013
- ▶ Sochi winter Olympics, 2014
- ▶ World cup soccer, 2018



- ▶ 12 OB vans in total, between 10 and 24 cameras

- ▶ Total order of EUR 10.6 million:

- ▶ EUR 4+ m delivered in 2H11
- ▶ EUR 6+ m to be delivered in 2012



- ▶ Training of 1,500+ operators in Russia, ensuring large coverage of the market

- ▶ Large solution: XT3, network, removable storage systems, IPDirector



Audiovisual heritage of Monaco

EVS as key player in that niche



- ▶ The archives of Monaco, created in 1997, wanted to go digital in order to improve their efficiency

- ▶ Context:

- ▶ Easy management of the video assets
- ▶ Quick generation of duplicates in multiple formats
- ▶ Video delivery across multiple platforms



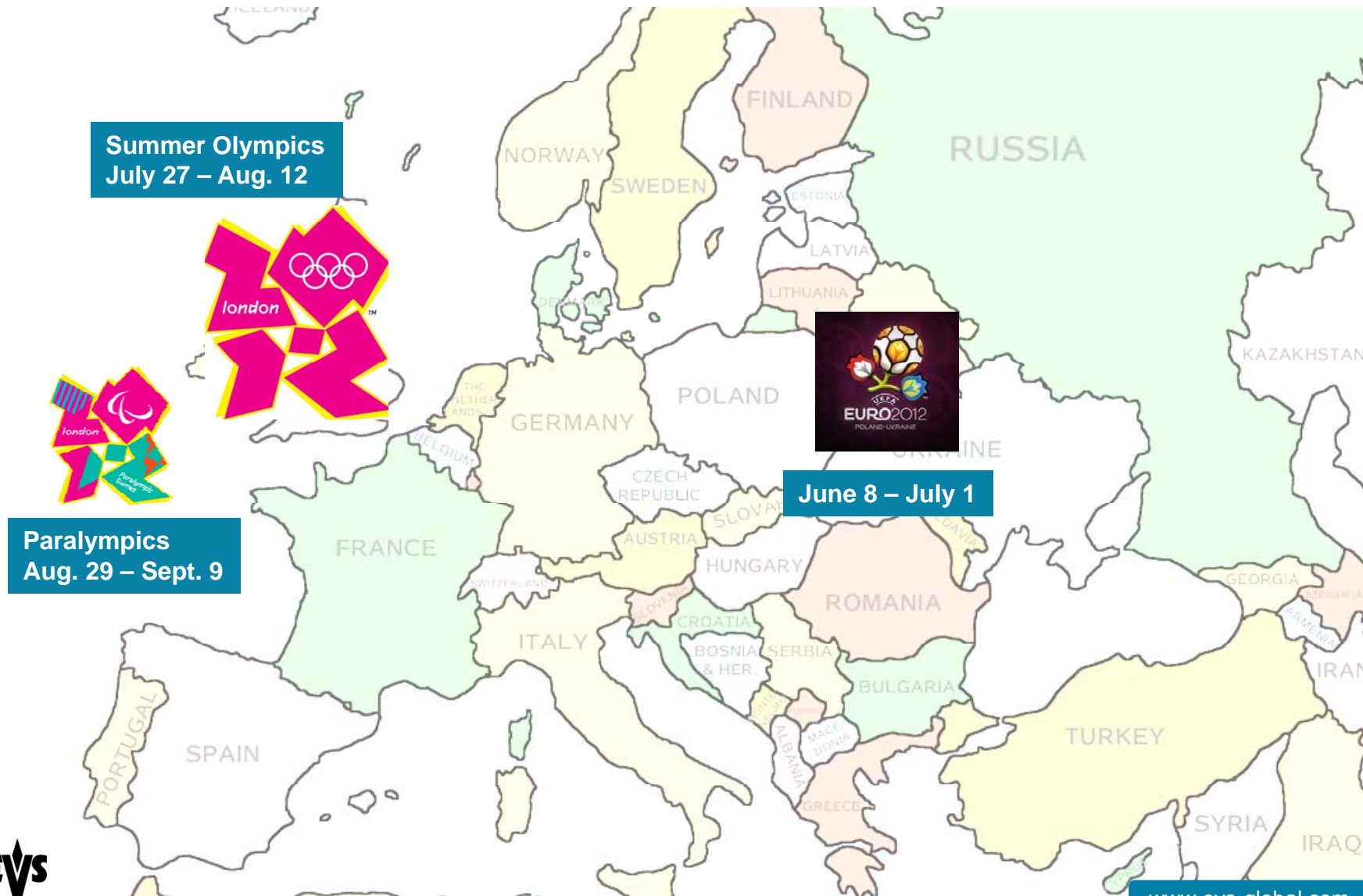
- ▶ Scope:

- ▶ 8,000 hours of video archive
- ▶ Media Archive Director (« MAD ») suite from EVS, allowing continuous monitoring of the entire video archiving process



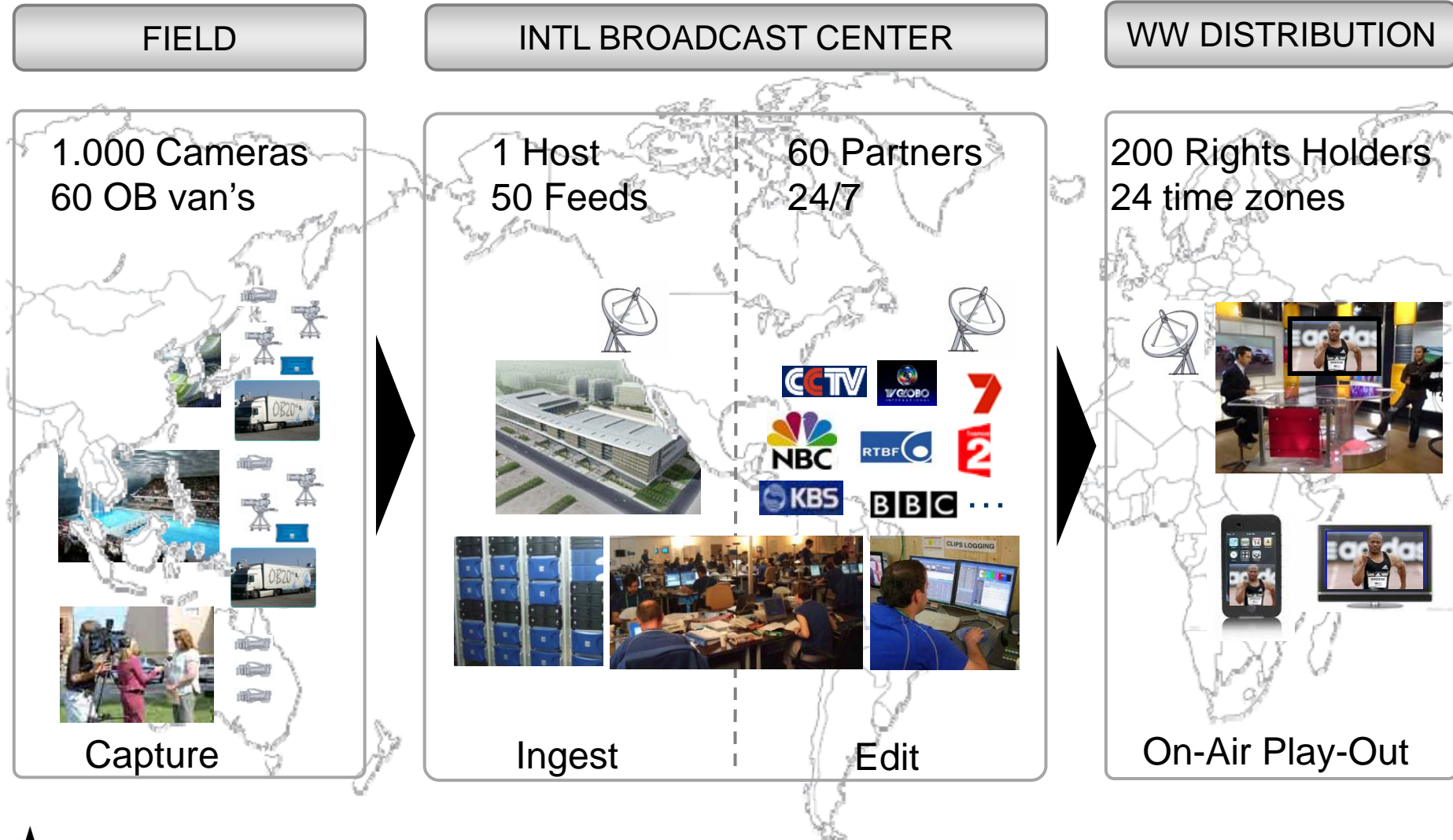
2012 big events ...

... All in EMEA, before moving to emerging countries



The global TV Workflow

2 billion viewers – 150 languages – 200 TV Stations



London 2012

What is new ?

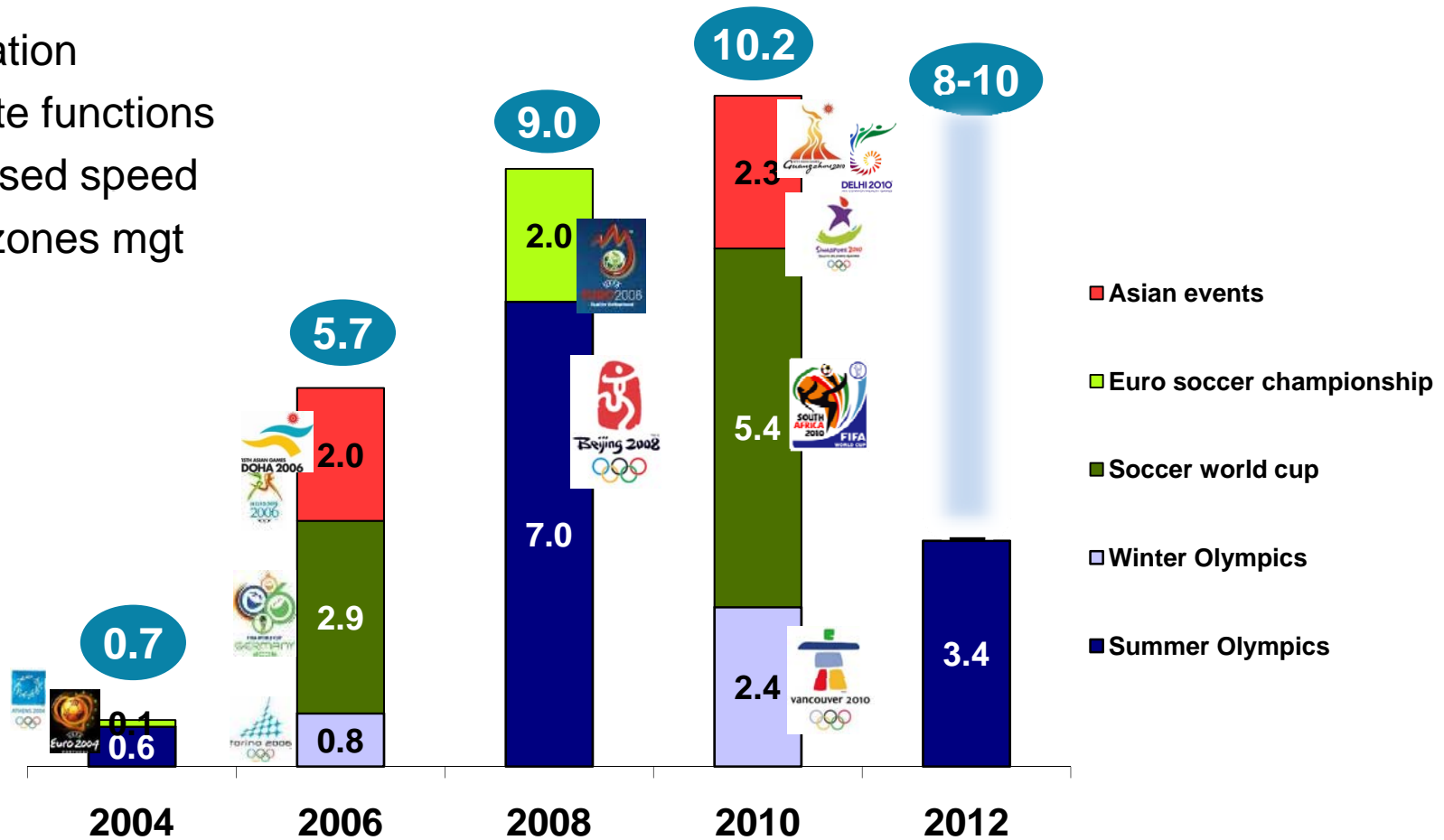


- ▶ 3D (around 10% of production is also in 3D)
- ▶ Larger “Olympic News Channel” production (interviews, etc) – 250 journalists
- ▶ Main delivery system: 10 feeds immediately available through satellite (+ONC)
- ▶ Web access
- ▶ Workflow improvement creating barriers to entry

2004-2012 evolution : Big events direct rentals

Between EUR 8-10 million in 2012

- ▶ Innovation
- ▶ Remote functions
- ▶ Increased speed
- ▶ Time zones mgt



Future big events mainly in emergings

Focus on Brazil and Russia



Paving the way for EVS expansion

Agenda

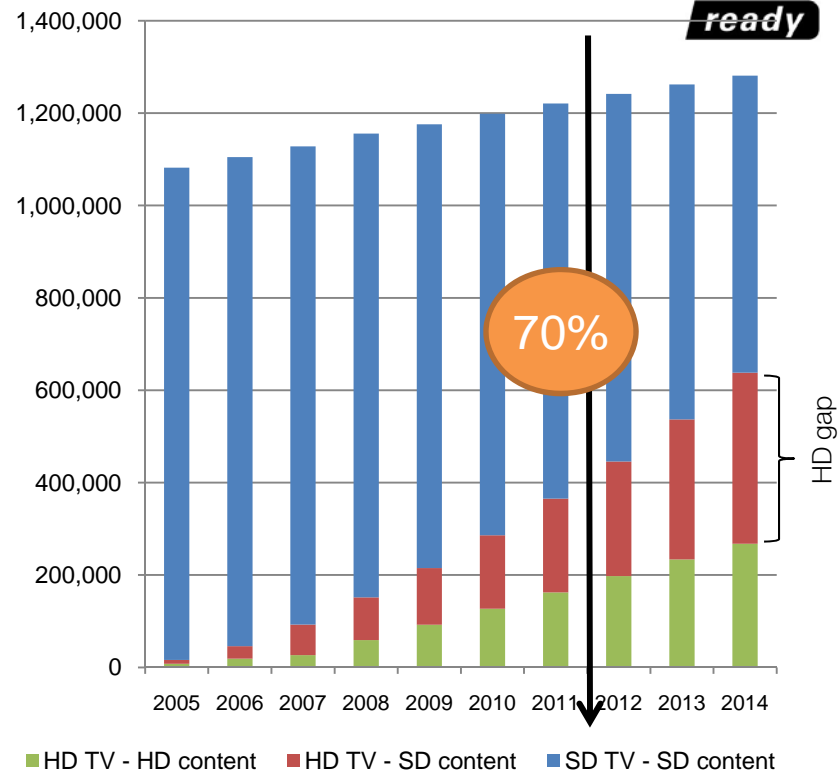
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HDTV: still a long way to go

Big events driving HDTV sales

The High Def Content Gap

In million homes



Source: IABM

HDTV Drivers

- ▶ Total TV sets
 - ▣ +2% per year
 - ▣ SD / HD sets at 50% in 2014
- ▶ SD TV sets
 - ▣ Still 70% of installed base in 2011
 - ▣ -5% per year
- ▶ All HD TV sets
 - ▣ +20% per year in 2010-2014
 - ▣ More than 50% of HD Ready sets are not looking at HD (« HD gap »)

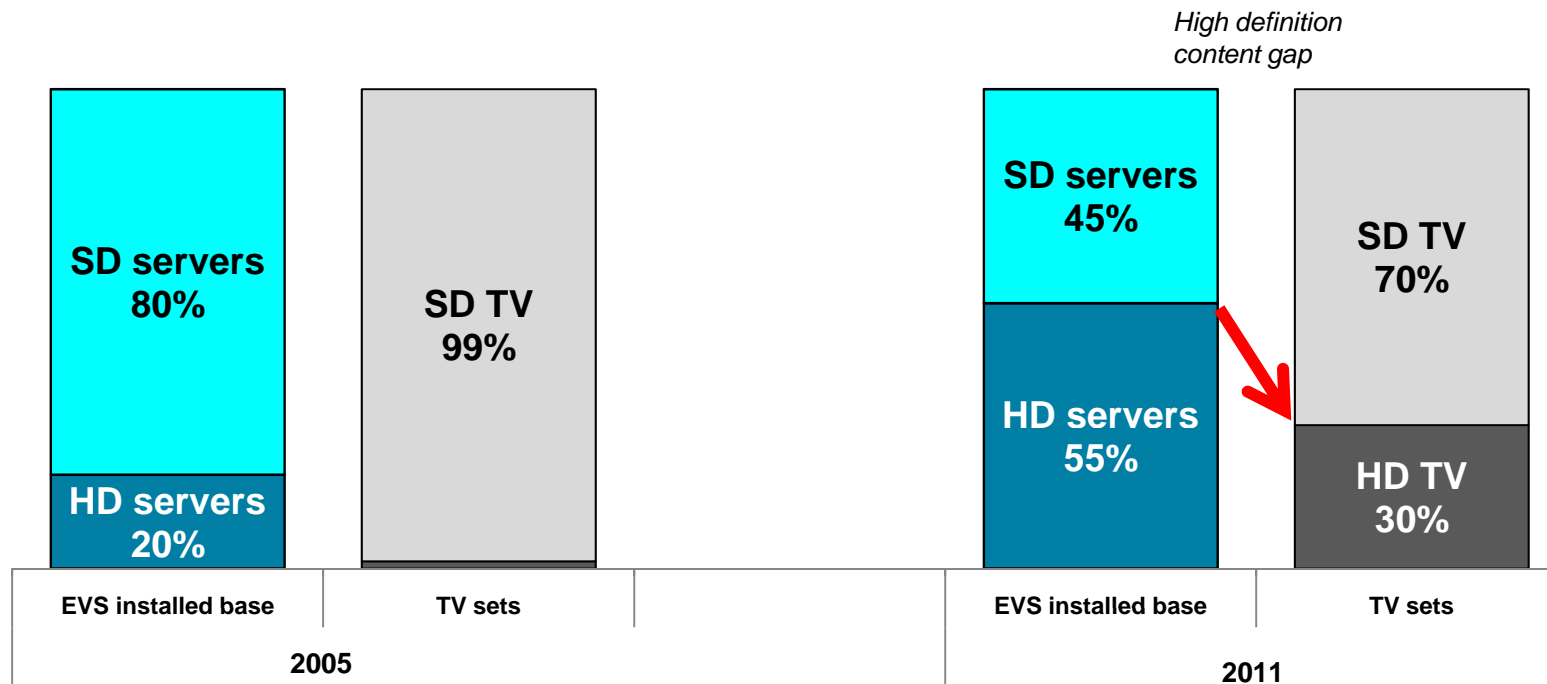


* An HD Ready does not look at HD programs

Installed base evidences future potential

5,600 EVS servers (25,000 I/O channels)

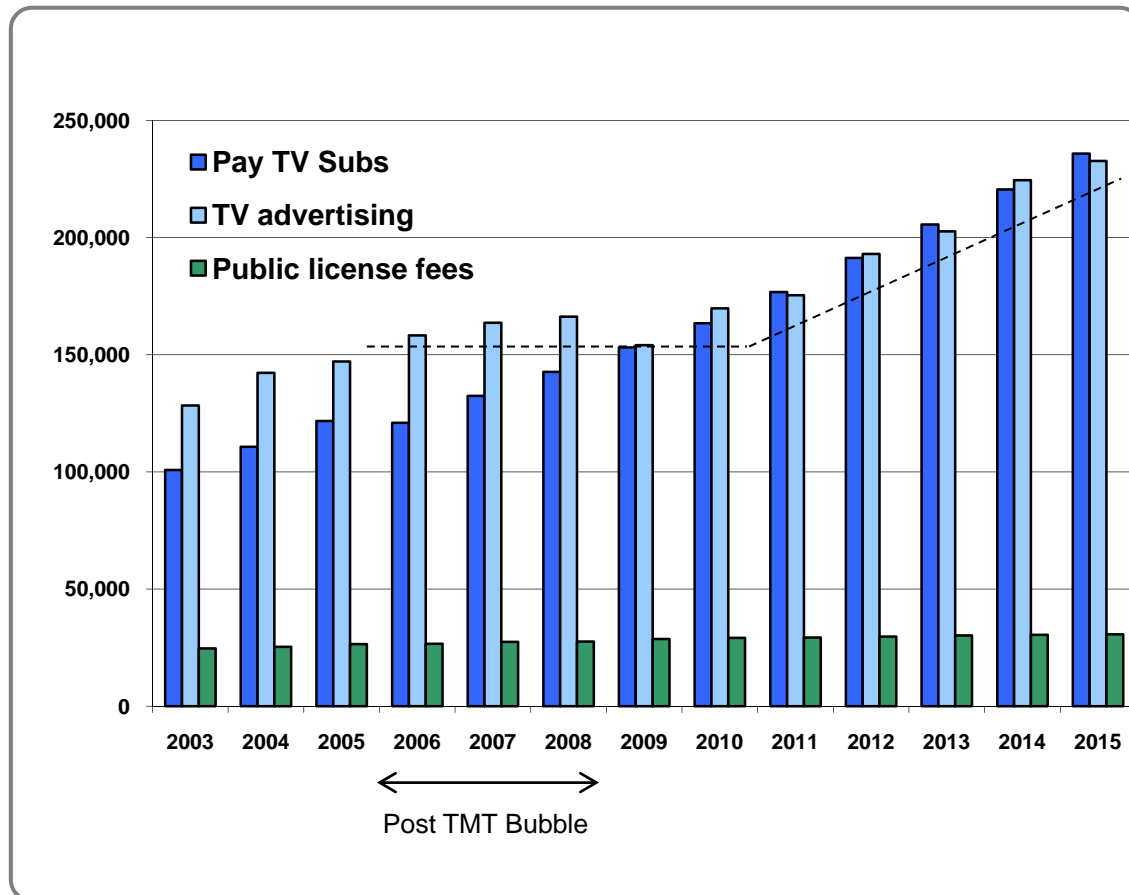
The EVS HD installed base is a few years in advance of the consumer market



Pay TV more resilient in economic slowdown

Sport is key Pay-TV content while olympics mainly on public TV

Global Broadcast Revenue Evolution – in mio \$*



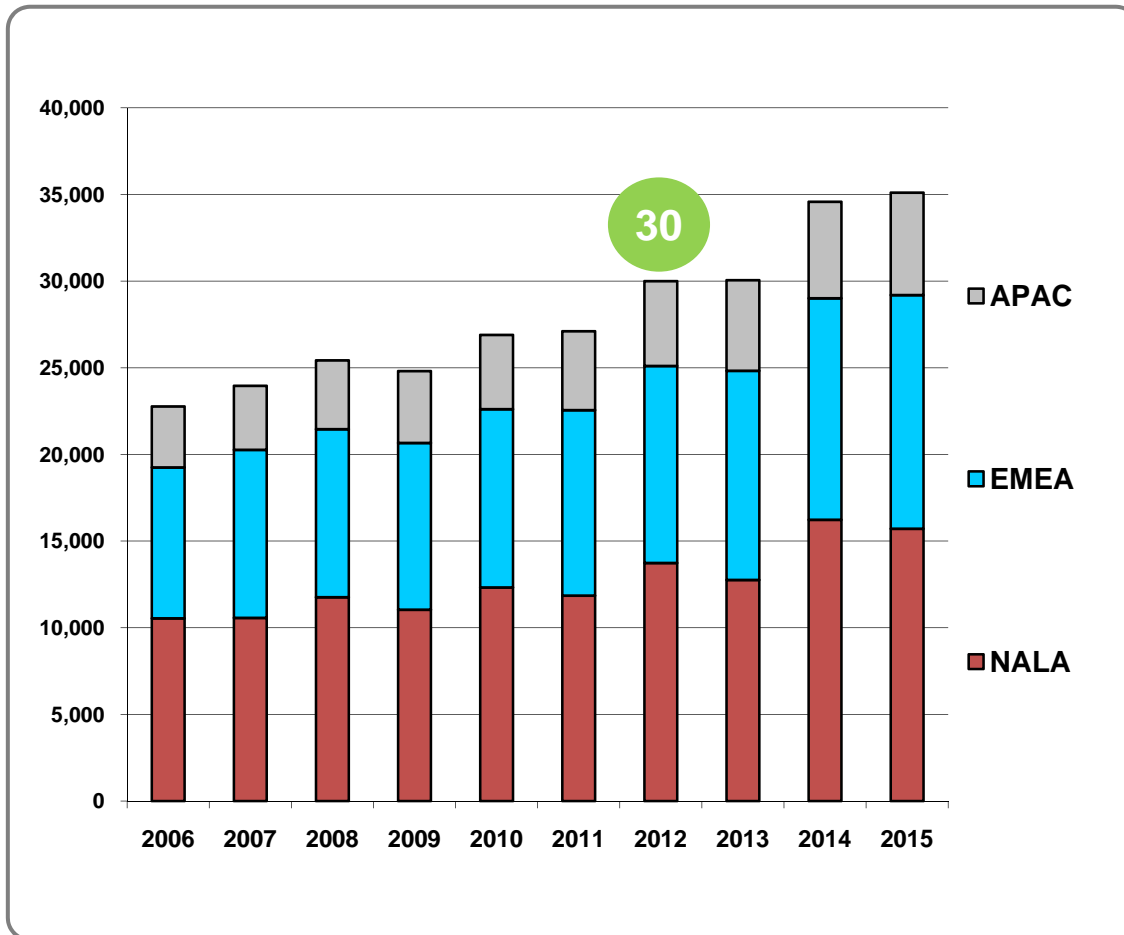
Highlights

- ▶ CAGR 2011-2015: +7.3%
 - ▶ Public Fees: +1.1%
 - ▶ Advertising: +7.3%
 - ▶ Pay TV subs: +7.5%

- ▶ In 2001-2004:
 - ▶ Advertising: +5%
 - ▶ Pay TV subs: +60%

Sport rights dependent on even years

Evolution of TV Sport Rights – in mio \$*



Source: PWC Global Media Outlook 2011-2015 (summer 2008)

Highlights

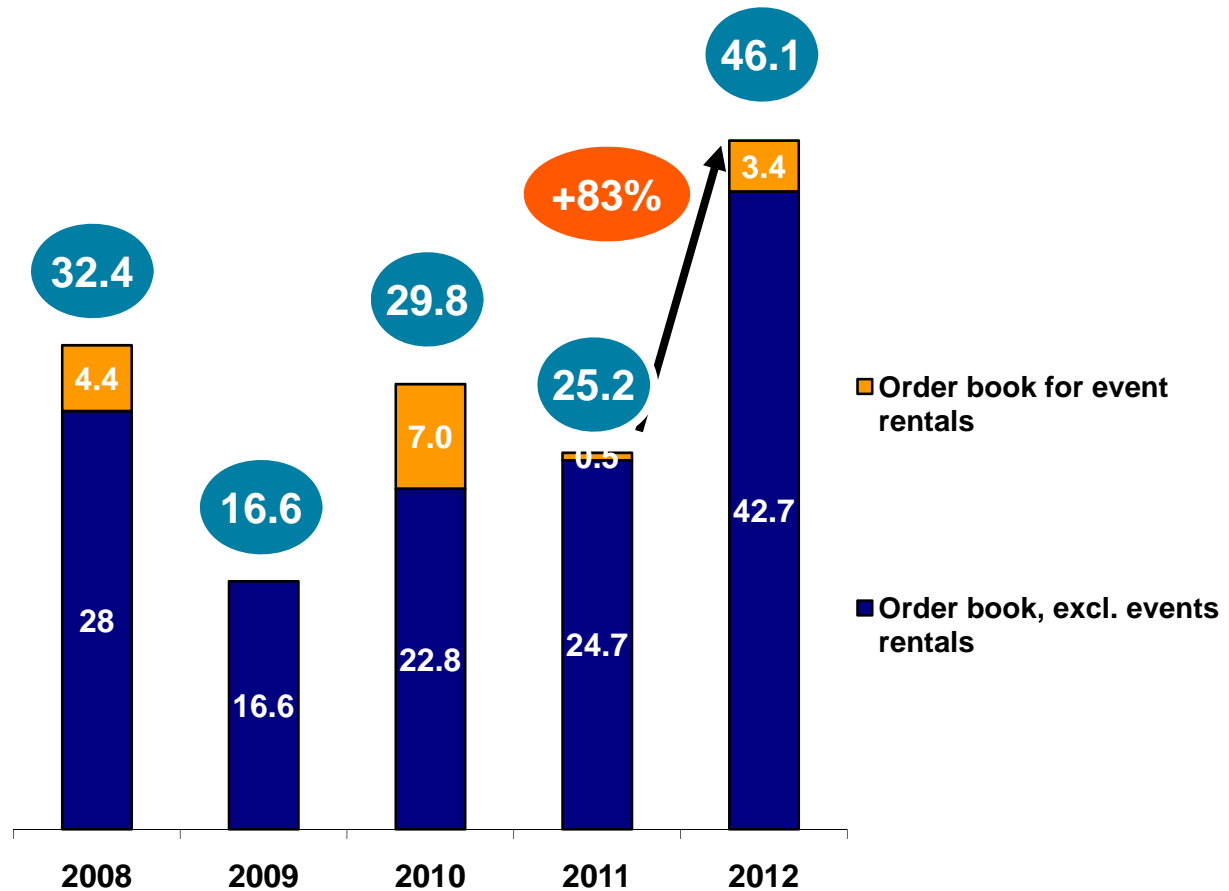
- ▶ CAGR 2011-2015: 6.7%
- ▶ 2012: +11% vs. 2011
 - ▣ London Olympics
 - ▣ Continued increase of large league rights
 - ▣ Multi platform rights
- ▶ Hedge: usual long term TV agreements
- ▶ APAC
 - ▣ Low GDP & TV penetration watches Intl sport

Record Winter Order Book at February 15

+83.0 (or 73.0% excl. big events)

EUR 46.1 m

- ▶ 46.1m to be invoiced in 2012
- ▶ including 3+m for the London Olympic Games 2012, 6+m for Panorama OB vans, 4m for studio in Eastern Europe, 3+m for sport center in EMEA
- ▶ +3.6m orders for 2013 and beyond
- ▶ 54.1% of order book is studio



Outlook 2012

- ▶ Order book of EUR 46.1 million at February 15
 - +83.0% (or +73.0% excl. the big event rentals)
 - 54.1% studio
 - Including a few major deals, but also many smaller contracts, showing the market share gains and the underlying market resilience

- ▶ 2012: stronger 1H
 - Developing new added value niches
 - Big event rentals should reach EUR 8-10 million in 2012
 - H1 sales should be higher than H2

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EVS shareholding as of December 31, 2011

in % shares

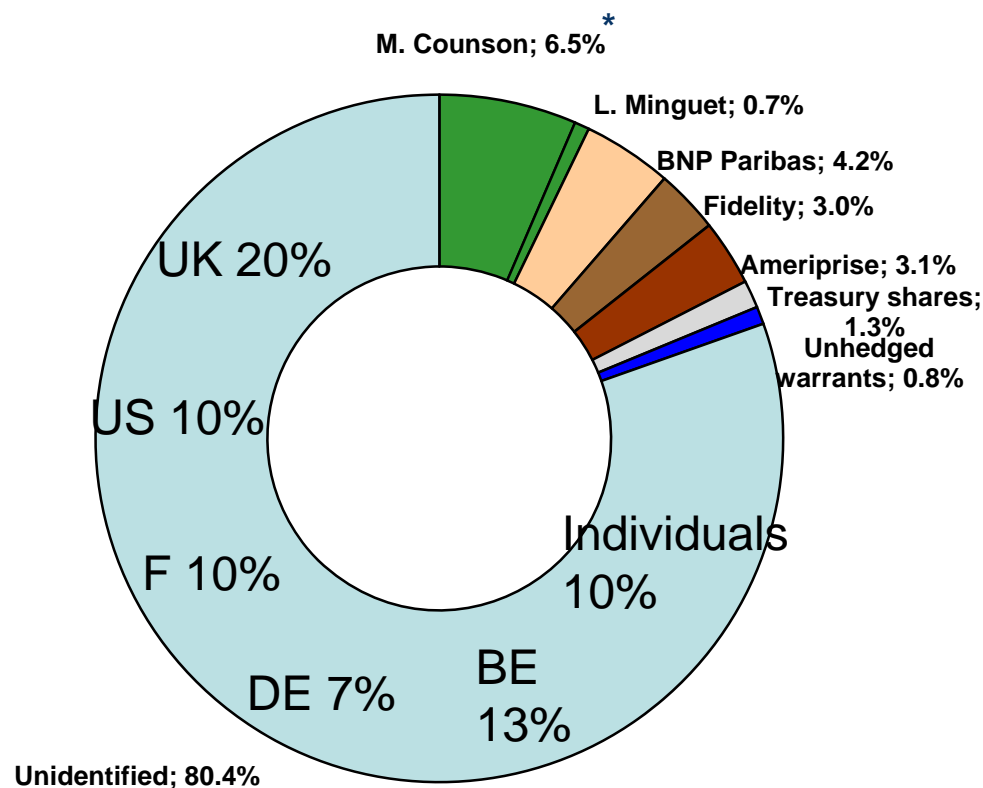
February 15, 2011 stock data:

Basis : 13,625,000 ordinary shares
 Outstanding warrants : 286,550 @39
 Treasury shares : 183,372 shares
 Mkt Cap @41.0: EUR 560 million

Last 12 months stock data:

Standard velocity: 49% (12 months)
 Average daily volume:
 - 25,500 shares
 - EUR 1.1 million
Excl. block trading and transactions out of Euronext Brussels (+50%)

EVS has bought back 60,228 shares in 2011



* Board members



Corporate calendar

2012

- ▶ April 14-19, 2012 NAB tradeshow, Las Vegas
- ▶ Thursday May 10, 2012 1Q12 earnings
- ▶ Tuesday May 15, 2012 Ordinary General Meeting
- ▶ Tuesday May 22, 2012 Final dividend coupon 14: ex-date
- ▶ Thursday May 24, 2012 Final dividend coupon 14: record date
- ▶ Friday May 25, 2012 Final dividend coupon 14: payment date
- ▶ Thursday August 30, 2012 2Q12 earnings
- ▶ Thursday November 15, 2012 3Q12 earnings

On the way to London 2012

- ▶ FY11 revenue of EUR 106.9 million (+6.3% at cst rates and excl. event rentals)
- ▶ FY11 EBIT margin of 41.3%
- ▶ 4Q11 revenue of EUR 31.0 million (+22.7% at cst rates and excl. event rentals)
- ▶ Record order book of EUR 46.1 mio

- ▶ More product developments to be launched in 2012
- ▶ Stronger 2012, with H1 > H2

EVS' C-Cast

