

Investors presentation

Q2 2024 Revenue
H1 2024 Results

July 25th, 2024





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Your speaker today



Jean-François Labadie

CFO

Summary

1. Key highlights for half year 2024
2. Q2 Revenue
3. H1 2024 Results
4. 2024 Outlook



1. Key highlights H1 2024



H1 2024 Key highlights



Verimatrix Counterspy receives the highest distinction of Globe Award for disruptors 2024



Verimatrix Streamkeeper Wins Gold in 2024 Merit Awards for Telecom Innovation



Verimatrix XTD Enterprise Suite Triumphs at 2024 Cybersecurity Excellence Awards

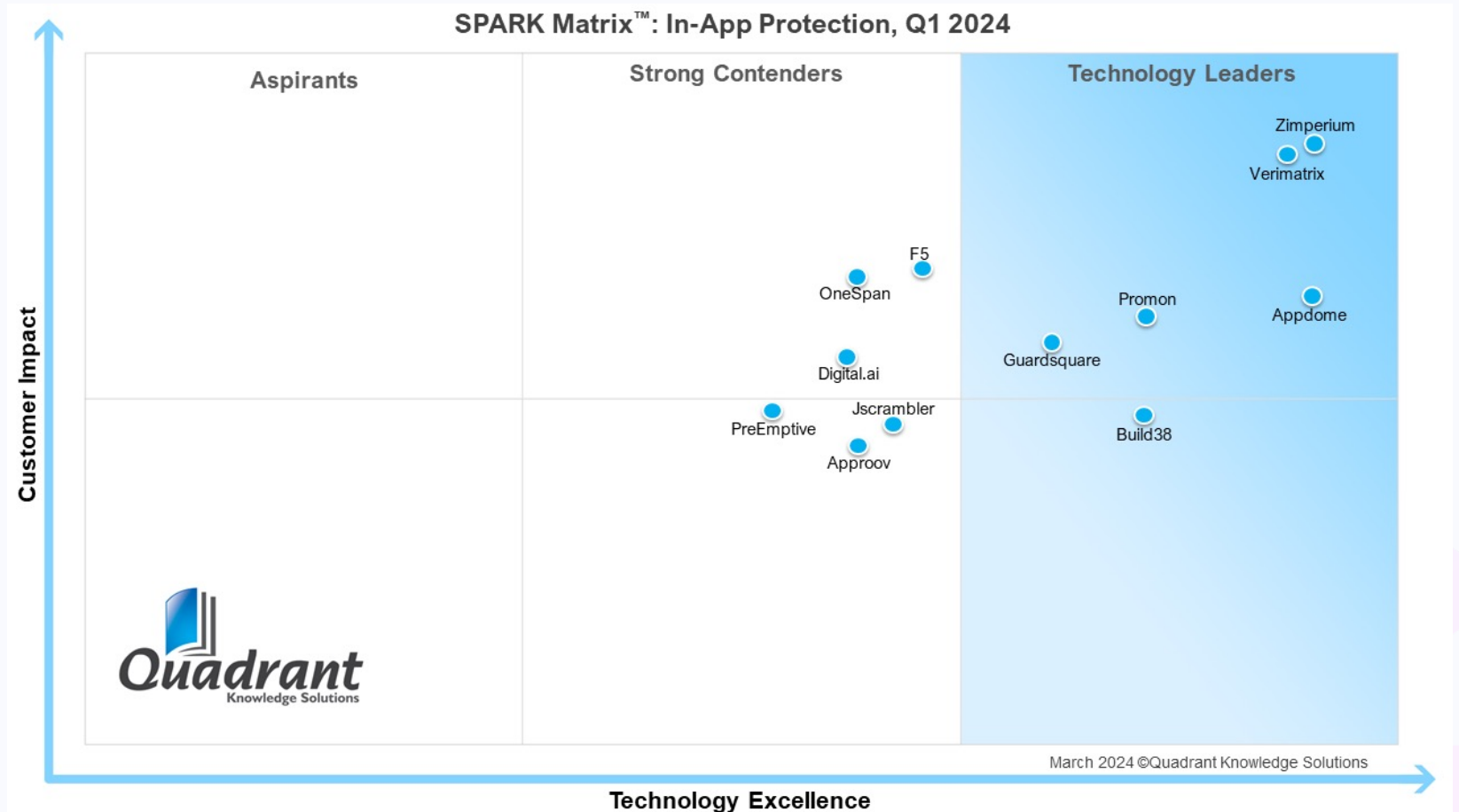


Verimatrix Streamkeeper brings home the 1st place win in this year's Innovation in Content Delivery and Distribution category



H1 2024 Key highlights

Verimatrix named a
technology leader
In SPARK Matrix: in-App
Protection, Q1 2024





H1 2024 Key highlights

ANTI PIRACY



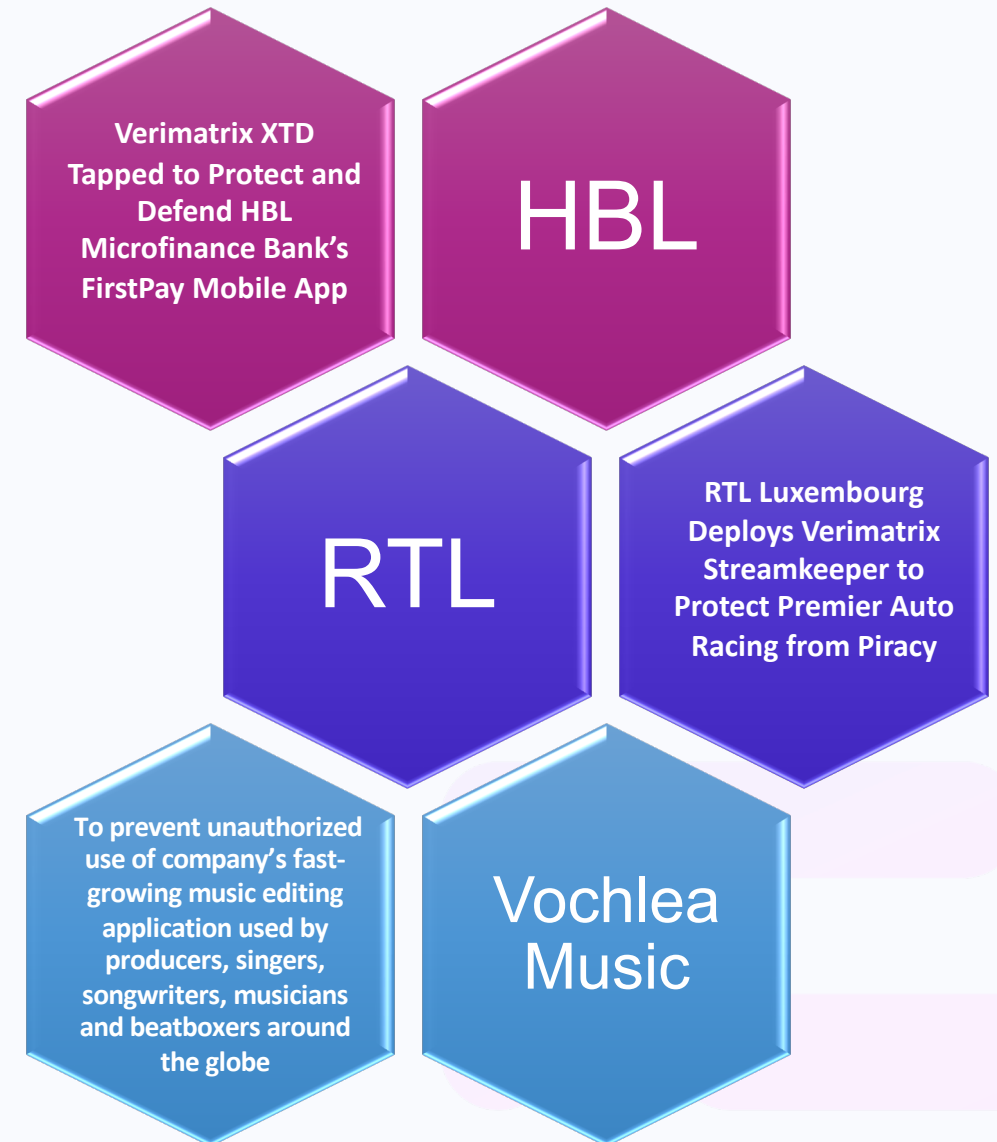
Verimatrix Releases Counterspy as a New Anti-Piracy Solution with First-Ever Defensive Capabilities :

Verimatrix customer who deployed Counterspy realized an OPEX savings of \$300k and prevented direct piracy losses of \$21 million

EXTENDED THREAT DEFENSE (XTD)



Verimatrix XTD Accessibility Abuse Detector™
Brings Expanded Android App Protections





New Logos YTD 2024

ANTIPIRACY H1 2024



EMEA



APAC



EMEA



NORAM



LATAM

XTD H1 2024

Bank of Cyprus

EMEA



EMEA



EMEA

TUTUM
Tu aliado en tecnología

LATAM



EMEA



2. Q2 2024 Revenue

Subscription ARR continue to
increase +25% yoy



Q2 2024 Revenue

(in US\$ million)	2Q24	2Q23	Var %
Recurring revenue	8.6	7.5	+14%
<i>of which subscriptions</i>	<i>4.4</i>	3.3	+33%
<i>of which maintenance</i>	<i>4.2</i>	4.2	0%
Non-recurring revenue	8.0	9.1	-12%
Total revenue	16.6	16.6	0%
ARR (end of period)	32.0	29.8	+7%
<i>of which subscriptions</i>	<i>16.8</i>	13.4	+25%
<i>of which maintenance</i>	<i>15.3</i>	16.4	-7%

COMMENTS

- Recurring revenue at \$8.6M +14% and 52% of total revenue. Subscription revenue totalled \$4.4m, up 33%. Maintenance revenue was stable at \$4.2m.
- Non-recurring revenue at \$8.0M -12% ; Group royalty revenues from set-top boxes continue to decline, while the sale of perpetual licences is holding up strongly, confirming the continued interest of traditional broadcasting customers.
- Subscription ARR continue to increase to \$16.8M at the end of Q2, +25% yoy
- Total revenue \$16.6M +0%



Annual Recurring Revenue trend from subscriptions

Q2 2024 SUBSCRIPTIONS ARR +25% YOY

In \$M



Q2 qoq Subscription ARR +1% is explained by:

- a strong order intakes for the Counterspy offering from Anti-Piracy customers
- the non-renewal of an unprofitable contract for Verimatrix



3. H1 2024 Results

Stabilization of revenue
Significant EBITDA improvment

H1 2024 revenue

(in US\$ million)	H1 2024	H1 2023	Var %
Recurring revenue	17.1	15.0	+14%
<i>of which subscriptions</i>	8.6	6.5	+31%
<i>of which maintenance</i>	8.5	8.5	-
Non-recurring revenue	13.7	15.6	-12%
Total revenue	30.8	30.6	+1%

COMMENTS

- Recurring revenue at \$17.1M +14% and 55% of total revenue
- Non-recurring revenue at \$13.7M -12% ; strategy to focus on growth in recurring revenue and ARR from subscriptions
- Total revenue \$30.8M +1%

H1 2024 revenue



ANTI PIRACY
92% of turnover

- **Resilient revenue**

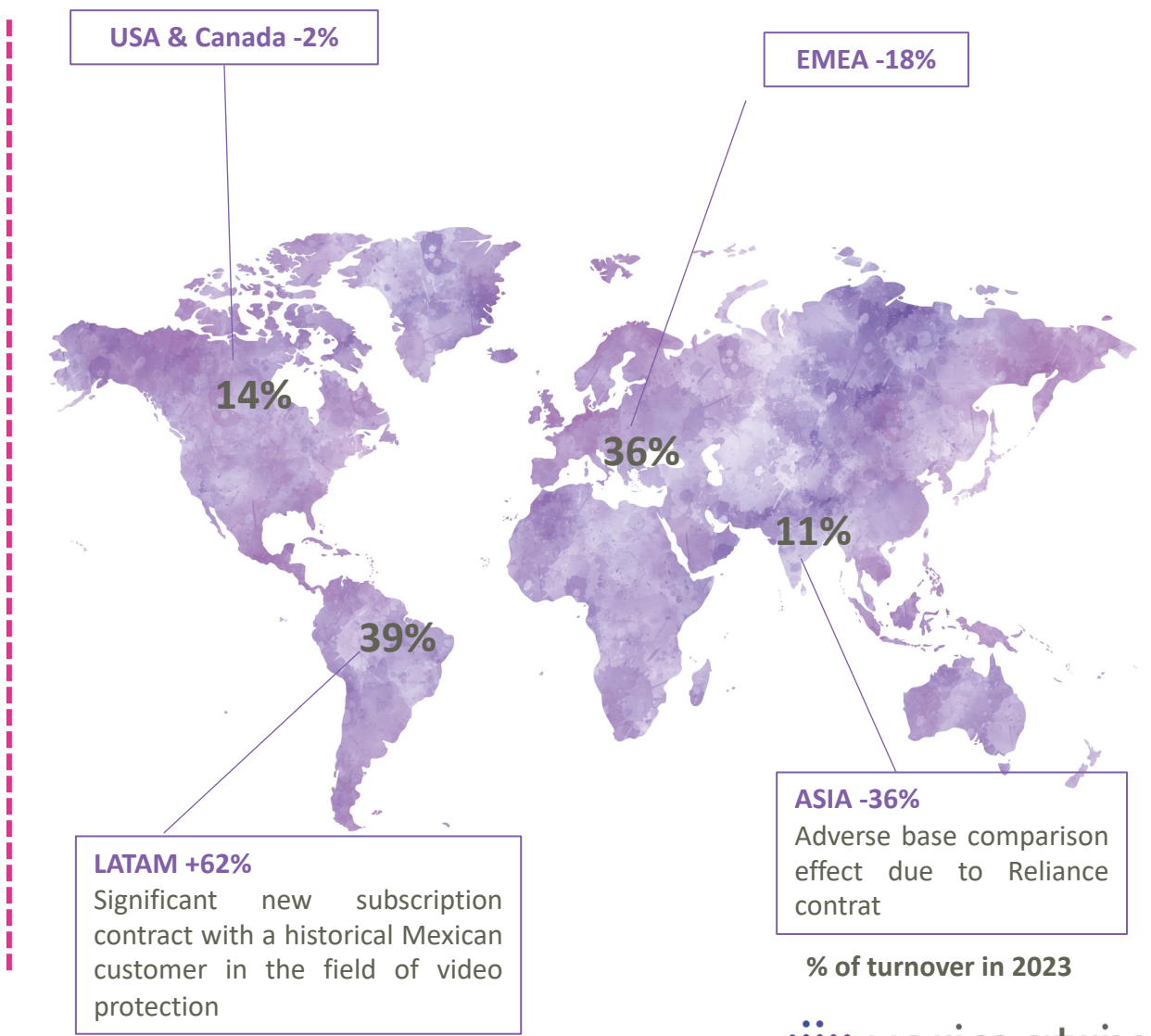
In H1 2024, revenues fell slightly by 1%, to \$28.3M
The 27% growth in subscription offerings has allowed to significantly limit the impact of the expected drop in non-recurring revenues



**THREAT
DEFENSE**
8% of turnover

- **New offers**
- **New verticals**
- **Strong dynamic**

In H1 2024, turnover jumped by +21% to \$2.5M, mainly in recurring revenue
Lead by new solutions and new adressable markets



H1 2024 – Results

(in US\$ million)	H1 2024	H1 2023	Chg.
Revenue	30.8	30.6	0.6%
Gross margin	21.5	22.1	-2.6%
<i>As a % of revenue</i>	69.7%	72.0%	-220 pt
Research & development expenses	(9.6)	(10.0)	-3.6%
Sales and marketing expenses	(7.1)	(8.5)	-17.2%
General & administrative expenses	(5.9)	(6.1)	2.5%
Other gains / (losses), net	(0.1)	0.2	-134.7%
Total adjusted operating expenses	(22.7)	(24.3)	-6.9%
<i>As a % of revenue</i>	73.6%	79.5%	-590pt
Adjusted EBITDA	1.7	0.4	+351.5%
<i>As a % of revenue</i>	5.5%	1.2%	
Adjusted operating income	(1.2)	(2.3)	-47.6%
<i>As a % of revenue</i>	-3.9%	-7.5%	
Financial income / (loss)	(1.5)	(1.6)	-4.0%
Income tax expenses	(0.5)	(1.0)	-48.1%
Adjusted net income / (loss)	(3.3)	(4.9)	-33.5%

COMMENTS

- Revenue : \$31M +0.6%, stabilization
- Gross margin : \$21.5M, 69.7 % of turnover - The decrease in gross margin is due to the strengthening of customer support and an increase in the depreciation charge related to the development of our subscription offers
- R&D expenses : \$9.6M -4%
- Sales & Marketing expenses : \$7M -18%, refocusing of activity in 2023, optimization of geographical organizations and a more targeted presence on specialized events and trade shows in the area of cybersecurity.
- Operating expenses : \$22.7M -6.9%
- Adjusted EBITDA : \$1.7M vs \$0.4M for 2023 – significant improvement
- Adjusted Net Income : -\$3.3M vs -\$5.0M

H1 2024 – Cash Flow

(in millions of dollars)	H1 2024
Net income/(loss)	(4.4)
Elimination of non-cash items from continuing operations	5.5
Changes in working capital from continuing operations	(6.9)
Cash from operating activities	(5.9)
Taxes paid	(0.5)
Interests paid	(1.8)
Net cash from operating activities	(8.2)
Acquisition of property, plant and equipment	(0.0)
Acquisition of intangible fixed assets	(1.0)
Net cash flow from investment activities	(1.0)
Loan repayments	-
Repayment of lease liabilities under IFRS16	(0.9)
Net cash flow from financing activities	(0.9)
Impact of exchange rate on cash	0.2
Change in net cash position	(10.0)
Cash and cash equivalents at start of period	22.6
Cash and cash equivalents at end of period	12.6

COMMENTS

Cash and cash equivalents : \$12.6M (vs \$22.6M at end-December 2023)

Result of delays in customer payments, to be considered relative to the geographical change in revenue over the period. By mid-July, more than 30% of these receivables had been recovered.

H1 2024 – Balance Sheet

Assets		
	June 30.	
(In millions of US\$)	2024	December 31. 2023
Goodwill	115.2	115.2
Intangible assets	11.6	13.0
Property and equipment	4.9	5.7
Other receivables	1.4	1.3
Non-current assets	133.0	135.2
Inventories	0.4	0.4
Trade receivables	34.9	28.7
Other receivables	5.0	4.8
Derivative financial instruments	-	0.1
Cash and cash equivalents	12.6	22.6
Current assets	52.9	56.6
Total assets	186.0	191.9

Equity and liabilities		
	June 30.	December
(In millions of US\$)	2024	31. 2023
Ordinary shares	41.5	41.5
Share premium	94.7	94.7
Reserves and retained earnings	(14.4)	(0.2)
Income / (loss) for the period	(4.4)	(14.3)
Equity attributable to equity holders of the Company	117.5	121.8
Non-controlling interests	-	-
Total equity	117.5	121.8
Borrowings	30.9	14.4
Provisions	1.0	1.1
Deferred tax liabilities	1.0	1.0
Non-current liabilities	32.9	16.6
Borrowings	8.7	26.1
Trade payables	4.4	4.6
Other liabilities	8.3	9.2
Derivative and financial instruments	0.0	0.0
Provisions	0.2	0.2
Unearned revenues	14.0	13.4
Current liabilities	35.6	53.5
Total liabilities	68.5	70.1
Total equity and liabilities	186.0	191.9



6. 2024 outlook

2024 Objectives



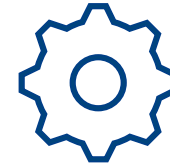
ANTI PIRACY

- Resilient revenue
- Ongoing transformation: decline in broadcasting partially offset by growth in OTT
- Recurring revenue transformation



THREAT DEFENSE

- Strong growth
- New offers
- New verticals



ARR

- ARR suscription growth >20%

EBITDA continuous improvement

Why to invest?

Dynamic markets



Threat defense



Anti-Piracy



Innovative technology
company in **cybersecurity**



Transformation
is delivering



Improving
profitability

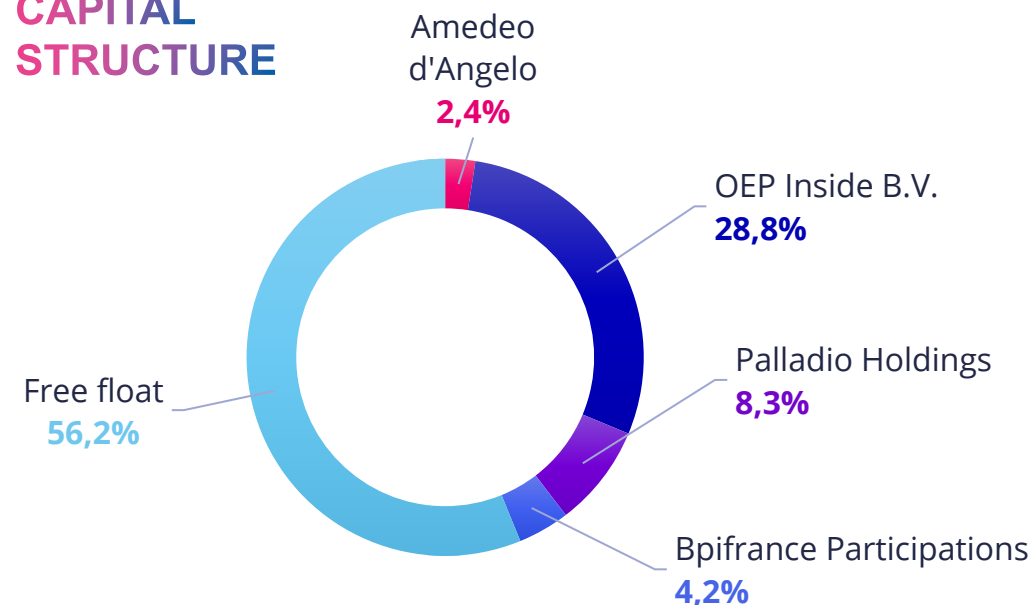


Supportive and
confident shareholders

ISIN CODE	FR0010291245 VMX
MARKET	Euronext Paris
NUMBER OF SHARES	85 535 147
SHARE PRICE (07/25/2024)	€0.39
MARKET CAPITALISATION	€34m
INDICES	CAC All Share, CAC All Tradable, CAC Mid & Small, CAC Small, CAC Technology, Enternext PEA-PME 150
ANALYSTS COVERAGE	Oddo, Portzamparc



CAPITAL STRUCTURE



NEXT EVENTS

- Q3 Revenue : October 17th, 2024 (after market close)




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Join **Artem Baranov** and **Anis Hamdi** Senior Security Analysts at Riscure as well as **Keir Storrle**, XTD Expert at Verimatrix for a 1h cybersecurity webinar!


📅 June 20th, 2024
🕒 5PM CEST / 8AM US Pacific / 11AM US Eastern


🔒 What to Expect during this event?

- Insightful Analysis: Current state of mobile security.
- Practical Guidance: Architectures, attack models, protection techniques, and OWASP Mobile Top 10 strategies.
- Evaluation Insights: Security evaluation process and challenges.

👉 Register Below!

<https://lnkd.in/d/ATSNVbb>


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Beyond Compliance: Resilient Mobile Apps in An Unprotected World

Thursday, June 20, 2024 | 11am EST / 8am PST / 5pm CET


[Register now](#)


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


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How is AI making piracy easier for criminals to impact the media & entertainment industry's revenue, subscriber retention, and CDN costs?


Maria Malinkowitsch, our director of product management, provides a deep dive into how piracy is evolving with AI-assistance and why its more important than ever to secure and restrict access to content.

#AI #antipiracy #hackers #videosecurity

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How AI Is Transforming Novice Hackers Into Turbocharged Attackers

[Learn more](#)



Learn more

How AI Is Transforming Novice Hackers Into Turbocharged Attackers



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