

Paris, September 26, 2019 – 17.45 CET

## FIRST HALF 2019 RESULTS

- ≡ REVENUES UP 29% AND BY 24% AT CONSTANT CURRENCY
- ≡ IMPROVED PROFITABILITY AND ENHANCED VISIBILITY
- ≡ FINANCIAL OBJECTIVES CONFIRMED

Consolidated data (in € million)	H1 2018	H1 2019	%
Revenues	23.2	30.1	+29%
Gross margin	10.5	14.1	+34%
Operating result	(3.3)	(1.3)	na
Financial result	0.2	0.1	na
Tax income	(0.1)	0	na
Net result	(3.2)	(1.2)	na

ATEME's financial statements for the first half of 2019 were approved by the Board of Directors at its meeting on 24 September. The limited review of the company's financial information by its statutory auditors is complete. The half-yearly report which is now available to the public and has been filed with the French markets authority, the Autorité des Marchés Financiers, can be downloaded from the "Financial Documents" section of the ATEME website <https://www.investor.ateme.com/en/>.

**Paris, September 26, 2019** - ATEME (ISIN: FR0011992700), world specialist in video compression, has published its results for the Half Year to 30<sup>th</sup> June 2019.

### Robust revenues performance

First half revenues amounted to €30.1 million, up 29% year-on-year and by 24% at constant exchange rates.

The two largest regions confirmed their dynamic trend with 13% revenue growth in EMEA, and 26% in North America (18% at constant currency). Latin America and Asia Pacific demonstrated more spectacular growth rates with 76% and 41% respectively (66% and 34% at constant currency).



### Improved margins and profitability

As previously flagged, while the H1 2019 product mix was improved, the volume of third-party products, notably servers sold along with our TITAN software, remained material, thereby limiting the improvement in Gross Profit from 45.0% to 46.7% (+1.7 points). On the other hand, opex was contained at 12%, less than half the level of topline growth, with R&D expenses at +13% and Sales & Marketing at +9%.

As a result, the net result for the first half recorded a significant improvement, standing at a deficit of €1.2 million versus €3.2 million a year ago.

### Financial objectives confirmed

In the five years since the 2014 IPO, H2 revenues have accounted for an average of 57% of annual revenues, ie exceeding H1 revenues by 33%. Given this established seasonality pattern, the significant reduction in current operating deficit in H1 paves the way for a return to profitability in H2 and for the year as a whole. ATEME's two-year objective of topline growth exceeding 20% per annum with an improvement in gross margin and profitability are confirmed.

Furthermore, the company is consistently growing the ratio of recurring revenues through a combination of multi-year capex engagements with large customers, and opex subscription deals with emerging players. This ratio will be communicated from January 2020.

### Cash under control

Cash amounted to €4.5 million at 30 June 2019, compared with €6.3 million at 31 December 2018. The variation mostly reflects the deficit of the first half and is expected to improve in line with profitability in the upcoming quarters.

**ATEME Chairman and Chief Executive Officer, Michel Artières, said:** *"The First Half of 2019 was in line with our expectations and all elements are in place for ATEME to deliver on its objectives, both financial and operational: technology leadership with Artificial Intelligence-optimized next generation codecs AV1 and VVC, high level of interest in the new TITAN payout solution launched at IBC Amsterdam with booth attendance up 55%, and an increasing ratio of multi-year agreements with strategic accounts enhancing the visibility of our topline trajectory."*



### Next publication:

**November 5, 2019: Q3 2019 revenues**

**About ATEME:** the emerging leader of video delivery infrastructure, servicing the world greatest content and service providers.

ATEME was founded in 1991 as a design house with a focus on video processing. In the 2000s, ATEME specialized in video compression and shortly afterwards introduced a complete video delivery solution. In 2014 ATEME announced its initial public offering at Euronext Paris. ATEME has and will continue to transform video delivery. ATEME was the first to market with a 10-bit 4:2:2 solution, the first production ready HEVC & HDR, and recently, the first true video delivery NFV software solution, designed to lead and win the service providers transition to video datacenter. To complement our cutting-edge technology, ATEME has partnered with leaders such as Intel, Apple and Microsoft to create the best in class video delivery solutions.

ATEME is a leading member of forums, and organizations, such as the DVB and SMPTE. ATEME actively participated at the ITU in the standardization of HEVC in 2013. In June 2014 ATEME joined the Alliance for Open Media to help develop the AV1 open and royalty-free video codec.

ATEME headquarters are Vélizy-Paris, with worldwide support and R&D offices in Rennes, Denver, Sao-Paulo, Singapore and Sydney. With a commercial presence in 18 countries, ATEME is 274 employees strong (as of 2019/06/30), including 110 of the world finest R&D video experts. In 2018 ATEME served close to 400 clients worldwide with revenues of €56.5 million, 93% of which was from overseas.

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*The forward-looking statements included herein are for illustrative purposes only and are based on management's current views and assumptions. Such forward-looking statements involve known and unknown risks. For illustrative purposes only, such risks include but are not limited to impact of external events on customers and suppliers; the effects of competing technologies competition generally in main markets; profitability of the expansion strategy; litigation; ability to establish and maintain strategic relationships in major businesses; and the effect of future acquisitions and investments.*

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