

Broadpeak publishes its annual results

- Revenue up 26.5%, to €41.9 M
- EBITDA remains positive, in line with target
- A financial year of sustained investment in order to accelerate the momentum in terms of technology and sales
- All 2026 financial targets confirmed

Cesson-Sévigné (France), 27 April 2023

Broadpeak (ISIN: FR001400AJZ7 – Ticker: ALBPK), a leading provider of video streaming software solutions, today published its annual results as of 31 December 2022.

Commenting, Jacques Le Mancaq, CEO of Broadpeak, said: “In 2022, our Group delivered on the commitments it had made to investors at the time of its IPO on Euronext Growth. We met our financial objectives in terms of revenue growth (+26.5%) but also in terms of maintaining a positive EBITDA. This performance took place during an intense R&D and sales teams structuring phase for Broadpeak, whose workforce increased by 30% in one year. After the successful launch of the SaaS offering, the start of FY 2023 was marked by the release of the latest generation of the ‘Advanced CDN’ solution. The result, a streaming solution offering unparalleled environmental performance, enhanced monetisation opportunities for our clients, and an exceptional user experience. Buoyed by these innovations fuelling our sales momentum, Broadpeak starts 2023 with confidence and confirms all its objectives for 2026.”

In €k	2021	2022
Revenue	33,127	41,901
Gross margin	26,751	31,232
EBITDA ¹	2,966	593
Operating profit (loss)	1,348	(1,567)
CIR amount ²	2,902	3,992
Net income/(loss)	4,118	1,430

¹ EBITDA: Earnings Before Interest, Tax, Depreciation, and Amortisation

² CIR: Research Tax Credit

Solid growth, strengthening in the Americas and Asia zones

In 2022, Broadpeak generated €41.9 million in revenue (€M), a performance that was fully in line with the objective announced at the time of the IPO. Sales growth, obtained completely through internal growth, reached 26.5%. It included a positive Forex effect (+€2.6 M) associated with the rise in the dollar. At constant exchange rates, growth was 18.5% in 2022.

During the financial year, the Group generated over 92% of its revenue outside of France. It significantly strengthened its positions in the Americas (+63% to €20.6 M), now the biggest market for Broadpeak, and in Asia (+58% to €3.8 M). In Europe, the Middle East & Africa region (EMEA), the change in activity (-3% to €17.5 M) reflected a particularly demanding comparison basis, associated with the posting in late 2021 of a very significant order from a major European operator.

By nature, licences & services have remained the primary source of revenue, totalling 51.6% in sales over the financial year, while the maintenance & SaaS segment, which includes the initial income from the broadpeak.io platform, increased by 36%, now representing 21.6% of overall sales. The contribution of equipment sales (26.8% over the financial year) returned to a normal level in the second half of the financial year (to 24.9% of revenue), after an exceptionally high first half (29.9%) particularly associated with the preparations for the World Cup® and the needs associated with new hardware.

Net margin growth in the second half

Positive EBITDA for the year

The gross margin came to €31.2 M over the year, representing 74.5% of revenue. As announced, it rose markedly in the second half of 2022 (to €19.9 M, or 77.1% of revenue) compared to the first half (€11.3 M, or 70.6% of revenue). This anticipated change is directly linked to the normalising of the contribution of equipment sales between the two periods.

EBIDTA totalled €0.6 M for the year. In line with the stated objective of maintaining a positive EBITDA, this level included the expenses needed to step up the acquisition of market share. Personnel expenses thus rose by 29.1%, to €20 M, following the increase in resources. In one year, the Broadpeak workforce increased from 241 to 312, including external contractors. The growth in external contractor services is reflected through the increase in other operating expenses (+56.9%), also associated with the marketing and sales investments due to the 2022 return of large international trade shows.

The operating result totalled -€1.6 M (compared to +€1.35 M in 2021), after posting €2.2 M in interest, depreciation, and amortisation, an amount whose increase (+33.5%)

reflects a sustained investment policy, resulting in an increase in R&D expenses invested.

The net earning amounted €1.4 M, after recognition of a research tax credit (CIR) of €3.9 M (vs. €2.9 M in 2021).

A solid financial structure

As of 31 December 2022, equity totalled €28 M, versus €8.3 M one year earlier, thanks to the net proceeds from the capital increase conducted at the occasion of the IPO, in the amount of €18.3 M. Financial debt was reduced by over half in one year, to €5.9 M (vs. €13.7 M at the end of 2021). The establishment of a factoring agreement resulted in a contraction of the accounts receivable item (-33%) and a marked improvement in the Group's working capital requirement (WCR).

Despite the sustained investment and substantial debt reduction, cash burn remained contained: free cash flow totalled -€2.5 M for the year (vs. -€2.6 in 2021). As of 31 December 2022, the Group had a cash position of €10.8 M.

A year of technological and commercial acceleration

In 2022, Broadpeak steered a steady course on the strategic roadmap unveiled at the time of its IPO. The Group continued its policy of ongoing innovation, which resulted in particular in the December launch of the BkS450 software; this disruptive solution meets the growing environmental expectations surrounding digital, with high-performance streaming consuming up to four times less energy than the preceding generation. In parallel, the broadpeak.io platform (SaaS offering), launched in early 2022, was enriched throughout the year with new advanced applications (Content replacement, Virtual channel, Dynamic ad insertion).

Such advances in technology maintained a strong commercial momentum. In 2022, Broadpeak managed to accelerate the development of earnings over its installed customer base, all while leading a record conquest, carried by the success of the CDN, Cloud PVR, and Multicast ABR offers, as well as by the first items in the SaaS offer. Overall, the Group's portfolio was enriched by 27 new references, for 152 clients in late 2022.

Roadmap for 2026 confirmed

Since early 2023, this commercial momentum has continued, in particular with the Group seeing an acceleration of orders for the SaaS offers (broadpeak.io) and Multicast ABR as well as the promising beginnings for the new "Advanced CDN" version launched in April.

In a streaming market still carried by the explosion of video content and minimally exposed to cyclical developments, Broadpeak is confident in its capacity to pursue a trajectory of sustained growth in 2023. This trajectory will be more dynamic starting in Q2, as the start of the year was marked by the few-week lag of a significant order. The solid growth expected over the entire financial year should be accompanied by an increase in EBITDA over its 2022 level.

Over the longer term, Broadpeak is renewing the roadmap presented to investors at the time of its IPO. By 2026, the Group is targeting €100 M in revenue, combined with an EBITDA margin of 20%. Powered by the acceleration of the broadpeak.io platform, the share of recurring revenue (maintenance and SaaS) is expected to reach 40% over this timeframe.

Upcoming events:

- Q1 2023 revenue: 16 May 2023, after market close
- H1 2023 revenue: 25 July 2023, after market close

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About Broadpeak

Since its creation, Broadpeak has grown with a sole purpose in mind: to roll out software solutions worldwide streaming content that people love with a compelling quality of experience. These solutions target the world's leading players, including large TV and telecom operators and global broadcasting platforms (OTTs), as well as new media in the corporate, sports and entertainment segments. At the end of 2022, Broadpeak had 150 customers across 50 countries, representing 200 million spectators worldwide. These include leading players such as Bouygues Telecom, Orange, Telecom Italia, Deutsche Telekom, HBO, Mola TV, StarHub TV+ and Megacable. Broadpeak has more than 320 employees in 23 countries. The company is mainly based in France (head office in Cesson Sévigné near Rennes) but is also present in the United States (Denver), Canada (Ottawa), Brazil (Sao Paulo), Singapore and Dubai. Broadpeak generates approximately 90% of its revenue internationally. Since 2015, Broadpeak has posted average annual growth of more than 30%. For 2026, the objective is to reach €100 million in sales, i.e. a more than threefold increase in activity compared to 2021, with an EBITDA margin of 20%.