

Paris, 6 May 2020 — 17:45 pm

## FIRST QUARTER 2020 REVENUES

- ≡ Revenues of €12.4 million down 9% reflecting inflated comparison basis in 2019
- ≡ Increase in software sales further enhancing business mix
- ≡ Well positioned to weather the Covid-19 crisis

Revenue in € thousands	Q1 2019	Q1 2020	Change (reported)
EMEA	3 193	3 884	+22%
USA / Canada	6 934	4 847	-30%
Latin America	1 989	1 255	-37%
Asia Pacific	1 471	2 379	+62%
<b>TOTAL</b>	<b>13 586</b>	<b>12 364</b>	<b>-9%</b>

*Q1 figures are unaudited.*

**Paris, May 6, 2019** - ATEME (*ISIN: FR0011992700*), the emerging leader in video delivery infrastructure, generated revenues of €12.4 million in the first quarter of 2020, down 9% year-on-year and by 11% at constant exchange rates.

- ≡ **EMEA** revenues rose 22% year-on-year to €3,884K.
- ≡ The **USA/Canada** region delivered revenues of €4,847K, down by 30% (-33% at constant exchange rates), compared to a reference point in Q1 2019 up 152% year-on-year on the back of one-off significant sales of third-party servers. Within the overall decline in topline, software sales were up and the gross margin improved.
- ≡ **Latin America** Q1 revenues declined by 37% to €1,255 K (-39% at constant currency).
- ≡ **Asia Pacific** delivered a strong 62% increase in revenues to €2,379 K (+59% at constant currency).

## Full operational continuity throughout Covid-19 crisis

During this uncertain period ATEME's priorities have been to safeguard the health and well-being of its employees and wider communities, closely following official guidelines to halt the spread of Covid-19, and fully support its customers.

Confinement has been imposed in most of the regions in which we operate. Fortunately we have an active and capable remote working culture and a well-rehearsed Business Continuity Plan which have enabled us to ensure full continuity in of all our operations, including R&D, 24/7 support, and supply chain functions. In particular:

- ATEME's flagship software, TITAN, can be demonstrated, delivered, and installed remotely.



- ATEME continues to engage in video calls and webinars with customers around the globe, including a highly successful 24-hour webinar in mid-April where our experts from all continents shared their views on market trends, emerging technologies and presented ATEME solutions to 1,500 customers.
- And our research and development team is set to file five new patents in May.

## Impact of Covid-19 crisis on financial outlook

In terms of revenues, the immediate impact of the Covid crisis has been the cancelation of some Kyrion hardware orders relating to postponed sporting events like the UEFA football championship and the Olympic Games. Elsewhere, certain customers will postpone investments at least into the Second Half, notably those most exposed to the decline in advertisement or sports-related revenues. On the other hand, the surge of SVOD consumption and network capacity is accelerating many projects, resulting in a significant pipeline of funded opportunities. Moreover, our solid foundation of monthly recurring revenues lends additional visibility.

At the same time ATEME anticipates savings in the range of 2 million euros for FY 2020 in terms of travel and marketing costs. Elsewhere, ATEME has imposed a temporary hiring freeze for customer-facing positions, but visibility is sufficient to sustain the recruitment plan in R&D, with a further 10 engineers due to join our teams in June.

The current context justifies the temporary suspension on 26 March 2020 of our Financial Objectives.

In seasonal terms, revenues for the First Half of the year are typically lower than the Second. The effect of the Covid-19 crisis and notably the postponement of some revenues into the Second half will accentuate this seasonality, with revenue development in the First Half, currently expected flat year on year. This absence of growth means we will not be able to fully absorb in the First Half some of the additional operating costs embarked in 2019. The Second Half is expected to show a considerable improvement.

New objectives for the full year will be announced at the end of H1.

**ATEME Chairman and Chief Executive Officer, Michel Artières, said:** *"The First Quarter saw an increase in software sales, with an attendant positive impact on gross margin. The decline in the overall topline only reflects a year-on-year comparison basis inflated by one-off revenues related to the resale of third-party servers. Looking ahead, the Covid-19 crisis has led to the cancelation of some orders, while we expect some business to shift to the Second Half. At the same time it is accelerating certain projects with the surge in SVOD consumption driving the need for better compression technologies. Thanks to our visibility of recurring revenues and strong cash position we are able to maintain our R&D investment plan in order to ensure we are best placed in our industry to benefit when market conditions improve."*

### Financial Calendar:

**16 July 2020:** 2020 first-half revenues



**About ATEME:** ATEME is the emerging leader of video delivery infrastructure, servicing the world's largest content and service providers. Listed on Euronext Paris since 2014, ATEME has a history of transforming video delivery, being the first to market with a 10-bit 4:2:2 solution, the first production-ready HEVC & HDR, and recently, the first genuine video delivery NFV software solution designed to lead service providers' transition to video datacenter. To complement its cutting-edge technology, ATEME has partnered with leaders such as Intel, Apple and Microsoft to create best-in-class video delivery solutions. ATEME is a leading member of industry forums and organizations, such as the DVB and SMPTE, actively participated in the ITU in the standardization of HEVC in 2013 and joined the Alliance for Open Media to help develop the AV1 open and royalty-free video codec in June 2014. ATEME is headquartered in Vélizy near Paris, with worldwide support and R&D offices in Rennes, Denver, Sao-Paulo, Singapore and Sydney. With a commercial presence in 24 countries, ATEME counts 300 employees, including some 100 of the world's leading R&D video experts. In 2019 ATEME served close to 400 customers worldwide with revenues of €66.3 million, of which 93% outside its home market.

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