

Paris, January 30, 2020 – 17.45 CET

## FULL YEAR 2019 REVENUES

- ☰ ACCELERATION IN FULL YEAR REVENUES, UP 18%
- ☰ GROSS MARGIN EXPECTED TO RISE BY SOME 30% YEAR-ON-YEAR IN 2019
- ☰ STARTING 2020 WITH STRONG INCREASE IN RECURRING REVENUES

Revenues in €000s	2018	2019	Change
Fourth Quarter	18,085	20,931	+16%
<b>Full Year</b>	<b>56,489</b>	<b>66,391</b>	<b>+18%</b>
at constant €//\$ exchange rate	56,489	64,266	+14%

*The statements are currently being audited.*

**Paris, January 30, 2020** - ATEME (ISIN: FR0011992700), the emerging leader in video delivery infrastructure, posted revenues of €21 million for the Fourth Quarter of 2019, up 16% on the same period in 2018.

Total revenues for the year to December 31, 2019 stood at €66.4 million, up 18% versus 2018 and by 14% at constant exchange rates. While slightly below the group's target of 20% growth, the €10m increase in value terms represented a clear acceleration compared to the €8m rise in the previous year, and marked ATEME's eighth consecutive year of topline growth.

### Revenue breakdown by region

Revenues in €000s	2018	2019	Change
EMEA	20,621	24,535	+19%
USA / Canada	18,524	24,594	+33%
Asia Pacific	10,743	8,240	-23%
Latin America	6,602	9,024	+37%
<b>TOTAL</b>	<b>56,489</b>	<b>66,391</b>	<b>+18%</b>

- Revenues in the EMEA region stood at €24.5 million, up 19%.
- The USA/Canada delivered further healthy growth of 33% with revenues of €24.6 million. At constant currency, revenues were up 26%.
- Asia-Pacific declined 23% to €8.2 million after an exceptional rise of 70% in 2018. At constant currency, revenues were down 26%.



- Latin America overtook Asia-Pacific to become the group's third region thanks to a 37% increase in revenues to €9.0 million. At constant currency, revenues were up 30%.

As expected, the Second Half of the year saw a more favorable product mix than the First with a rebound in TITAN software sales, underpinning a recovery in the gross margin, which is expected to grow in the region of 30%.

### Significant increase in recurring revenue streams

As communicated during the course of 2019, a key tenet of ATEME's strategy has been to enhance the predictability of revenue streams notably by offering multi-year engagement incentives to key customers in recent years. In 2019 this strategy was taken to the next level, with a focus on the promotion of other types of recurring revenue sources, such as annual support contracts and OPEX license lease contracts for emerging players. These measures have proven highly effective, generating multiple layers of monthly recurring revenues that will secure growth over the long term, with some contracts of up to five years, while reducing lumpiness.

In consequence ATEME is beginning 2020 with over €880,000 in monthly recurring revenue<sup>1</sup>, and almost the same amount in gross margin, since such revenues essentially comprise software, either in CAPEX-deferred revenues or OPEX models, and support fees. This compares with €570,000 in January 2019, an increase of over 55%.

**Michel Artières, Chairman and CEO of ATEME, commented:** *"Ateme delivered a robust revenue performance in 2019 with acceleration in value terms versus the previous year. Our gross margin growth is expected to land in the region of 30%, reflecting software market share gains and the enhanced product mix. The resulting strong leverage effect is expected to lead profitability to return to the record level of 2017.*

*At the same time, we have significantly increased topline visibility since a large proportion of the revenues are spread over multi-year terms: for the first time, some €8.4 million of the software license contracts signed in 2019 will be recognized over the next four years. Going into 2020 with 55% more monthly recurring revenues than a year ago gives us a high degree of confidence and visibility for the year ahead."*

### Next publication:

**March 26<sup>th</sup>, 2020:** Full Year 2019 Results

---

<sup>1</sup> Monthly Recurring Revenue is defined as the sum of (1) the monthly revenue from support contracts in hand, and (2) the monthly revenue from multi-year licensing contracts in hand (capex), and (3) the monthly revenue from license lease contracts (OPEX).



**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 €66.4 million, of which 93% outside its home market.

Name: ATEME - ISIN Code: FR0011992700 - Ticker: ATEME - Compartment: C

#### **ATEME**

Michel Artières  
President and CEO

#### **INVESTOR RELATIONS**

Caroline Lesage  
Tel: +33 (0)1 53 67 36 79  
[ateme@actus.fr](mailto:ateme@actus.fr)

#### **PRESS RELATIONS**

Anne-Catherine Bonjour  
Tel: +33 (0)1 53 67 36 93  
[acbonjour@actus.fr](mailto:acbonjour@actus.fr)

#### **DISCLAIMER**

*This press release does not constitute or form part of and should not be construed as any offer for sale of or solicitation of any offer to buy any securities of ATEME, nor should it, or any part of it, form the basis of or be relied on in connection with any contract or commitment whatsoever concerning ATEME's assets, activities or shares.*

*All statements other than historical facts included in this presentation, including without limitations, those regarding ATEME's position, business strategy, plans and objectives are forward-looking statements.*

*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.*

*ATEME expressly disclaims any obligation or undertaking to update or revise any projections, forecasts or estimates contained in this presentation to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. These materials are supplied to you solely for your information and may not be copied or distributed to any other person (whether in or outside your organization) or published, in whole or in part, for any purpose.*