

#TelcoTV

TV, the Telco way

Comptes annuels 2016

6 avril 2017

What we do

- Netgem designs **Software** to connect the daily lives of consumers and their families
- **Service Providers** around the world use solutions built around our software to deliver bespoke **innovative digital entertainment services** to their customers
- From software licensing, to turnkey, white-label, TV as a Service offering, Netgem offers Telco Service Providers, a **complete suite of software, solutions, content, services** and direct access to Telco-grade quality digital devices from our global industrial partners
- Our #TelcoTV solutions enable Telcos to **differentiate, increase ARPU/service revenue** and **build customer base loyalty**

Who we are

- **20 ans d'expérience**
- **20 déploiements #TelcoTV dans 15 pays, 4 millions de foyers actifs**
- Bureaux à Paris, Londres, Singapour, Mexico et Sydney
- Coté sur Euronext (ISIN FR0004154060)
- Solidité financière, éligibilité PEA/PME
- Label entreprise innovante Bpifrance



Products

OPEN END-TO-END SOFTWARE SUITE FOR THE USER EXPERIENCE AND DEVICE MANAGEMENT OF CONNECTED HOME ENTERTAINMENT AND LIFESTYLE SERVICES



CLOUD PLATFORM

A cloud-based **entertainment and connected home** service platform designed from the ground up for Service Providers



SOFTWARE CLIENTS

A set of **native multiscreen applications** for content discovery and playback, available on HTML, Android and iOS devices



MIDDLEWARE

A **stable, compact and proven** embedded software stack for Linux set-top-boxes, natively built on open HTML standards

Products



CLOUD PLATFORM

A cloud-based entertainment and connected home service platform designed from the ground up for Service Providers

EFFICIENCY, SPEED AND SCALABILITY



Products



SOFTWARE CLIENTS

- Set of native multiscreen app for content discovery and playback
- HTML based Android and iOS devices
- Easily customised to requirements for turnkey solutions
- Can be totally rewritten using the Netgem Middleware and Platform APIs



Products



MIDDLEWARE

- **Extremely stable, compact and proven embedded software stack for Linux set-top-boxes**
- **Natively built on open HTML standards**
- **Supports, at the browser level, hybrid DVB multi-tuners, multicast, unicast, VOD with studio grade security**
- **Offers access to a very efficient, hardware optimised, graphics library for advanced on-screen display**

Solutions

PARTNERING WITH TELCO ON THEIR KEY CHALLENGES



SMART MULTIROOM

The new SoundBox proposition can offer a smart way to promote **an upgrade cycle and multiroom entertainment** in the household



SMOOTH TRANSITION TO 4K

Use the upgrade to 4K entertainment to bring in a better entertainment while **upgrading the technology with low capex outlay**



END TO END TV SERVICE

Need a TV service or have a basic uncompetitive service: Netgem offer **a comprehensive market leading TV service: TV as A Service**



TV ESTATE UPGRADE

Upgrading your installed set-top-box pool with our open middleware to drastically **reduce your support costs and extend the lifecycle of your assets**

Fantastic Range of Content *Content Partners - most OTT-friendly platform*



We are winning the industry recognition - 11 nominations in 2016



Best TV Experience Enhancement Award

*The most acclaimed company in the industry with 5 nominations at TV Connect 2016

netgem's #TelcoTV Awards

Best TV Experience Enhancement

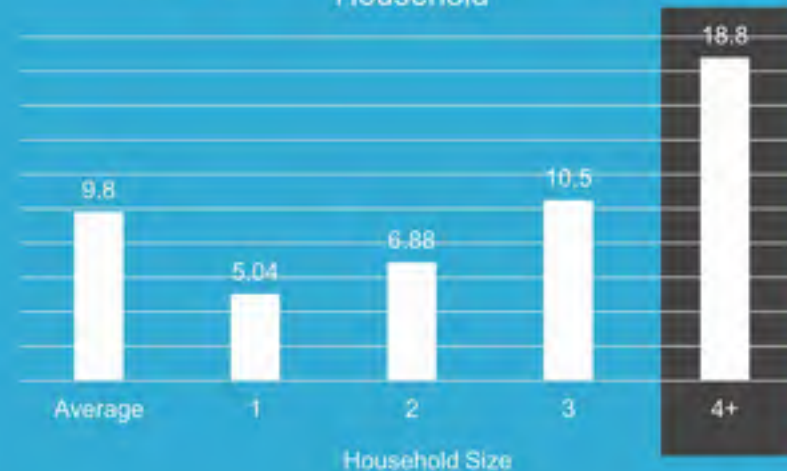
Award	Status	Category
2015 telecoms AWARDS	FINALIST	Meeting the FTI Challenge
GLOMO AWARDS	FINALIST	Best Mobile and M2M / IaaS, TV Services
POPULAR CHOICE AWARD	WINNER	Most Innovative Experience
DIGITAL TV CONTENT INNOVATION AWARDS 2015	FINALIST	Second Best Experience
Broadband WORLD FORUM	FINALIST	Best Connected Home Service
THE VIDEONET Connected TV AWARDS 2015	WINNER	Contributor to User Experience - Connected TV Service
tv connect AWARDS	FINALIST	Best Mobile TV
2015 SMA AWARD	FINALIST	TV (Services)

Lots of Devices and Even More Apps....

The Average Household has

10 ACTIVE DEVICES

Average Number of Active Devices per Household



Households with 4+ People Have

18+ ACTIVE DEVICES

Digital clutter: Increasingly frustrating for consumers, no value created for Telcos...

Clutter Impact?

Using, Set-Up,
Updating, Adding New,
Shut Down, etc



COMPLEXITY

Multiple products
& apps & hardware,
time



COST

Across devices
& content & bearers/access,
in/out of home, indiv vs groups



DISJOINTED

Wires and lots of plastic
black boxes and remotes,
UX and GUI overloads, etc

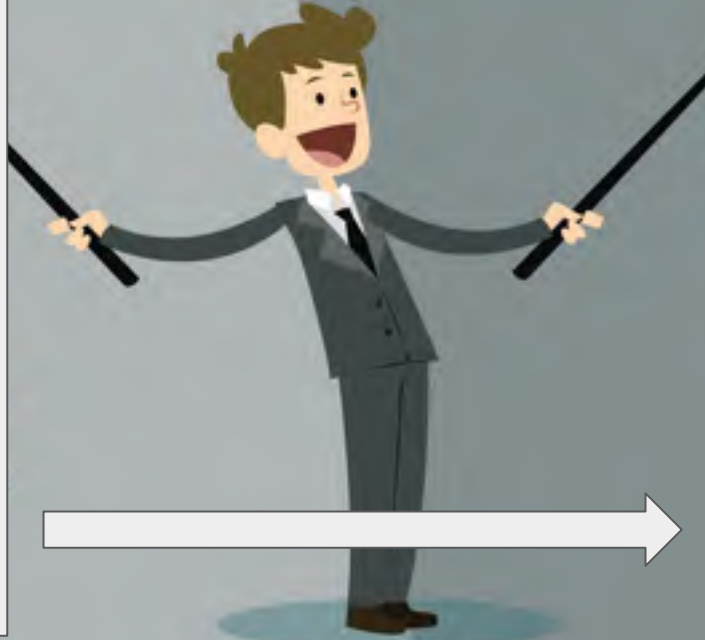


UGLY

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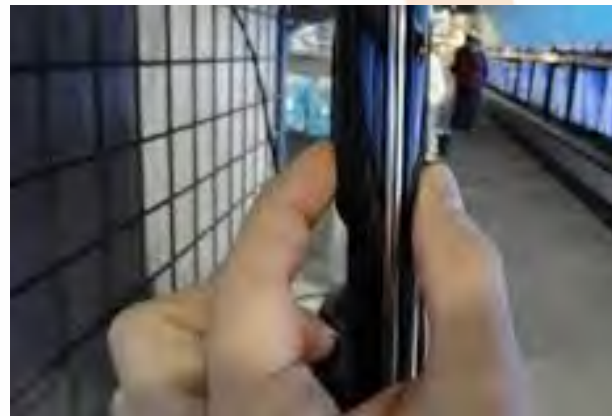
 netgem.com

**Consumer
trends?
+
Telecom
Operators
needs?**



**Innovative
product
+
Differentiating
Consumer
proposition**

Trend **1**: All new TV sets have lower sound quality...
+ More than 2 TV sets per household in Europe



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1 Create a new simple & integrated device: Soundbox



Trend 2: Music is now watched...

40% of Music
streamed is from...



..... STREAMS

2016

208.9



..... AUDIO

113.6



..... VIDEO

95.3

2 Music and Video are blending: create a unified and quality Entertainment experience



NETFLIX

amazon
instant video

etc...



MP3s

YouTube etc...

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3 Soundbox works with Remote Control, Smartphone App, or Voice control (Amazon Alexa)



4

Soundbox enables 'The Smart way to Multiroom'



**SoundBox unlocks
incremental
Multiroom value...in
the living room**



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Présentation des comptes consolidés 2016

- Application du référentiel IFRS
 - Principes comptables 2016 cohérents avec ceux utilisés en 2015
- Audit finalisé, comptes validé par le conseil d'administration le 05/04/2017
- Un seul secteur opérationnel
- Création de Vitis, mise en équivalence au 3 novembre 2016

Résultats

ME- consolidé IFRS	2016	2015	Var.	
Chiffre d'affaires	74.3	78.8	-6%	(4.4)
Marge brute	27.5	25.8	7%	1.7
Dépenses opérationnelles	(22.0)	(23.9)	-8%	1.9
Frais marketing & commerciaux	(12.6)	(15.2)	-17%	2.6
Frais de R&D	(6.2)	(5.2)	18%	(0.9)
Frais généraux	(3.3)	(3.5)	-6%	0.2
Résultat opérationnel courant	5.5	1.9	195%	3.6
Autres produits & charges opérationnels	3.2	(0.2)	ns	3.4
Résultat opérationnel	8.7	1.6	430%	7.1
Résultat financier	0.4	0.6	-19%	(0.1)
Résultat de change	0.7	(0.2)	-409%	0.9
Quote part des entreprises associées	(0.1)	0.1	-275%	(0.2)
Charge d'impôt	(3.4)	(0.6)	457%	(2.8)
Résultat net, part du groupe	6.3	1.4	339%	4.9
Ecart de change (OCI)	0.2	0.4	-46%	(0.2)
Résultat net global	6.5	1.8	261%	4.7

Cashflows

ME - consolidé IFRS	2016	2015	Var.	
Cash flow lié à l'activité (A)	4.9	2.8	75%	2.1
CAF avant versement de l'impôt	7.6	4.8	57%	2.8
Impôt versé	0.1	0.4	-128%	0.5
Diminution (augmentation) du BFR	- 2.8	- 1.7	67%	(1.1)
Cash flow lié aux investissements (B)	- 11.4	- 1.4	716%	(10.0)
Cash flow opérationnel (A+B)	- 6.5	1.4	-571%	(7.9)
Cash flow lié aux financements	2.9	5.7	-151%	8.6
Variation nette de trésorerie	- 3.6	- 4.3	-17%	0.7

Bilan actif

MC - consolidé IFRS	31/12/2016	31/12/2015		Var 16/15
Ecarts d'acquisition	5.3	7.2	-	1.9
Immobilisations	0.7	1.9	-	1.2
Participation dans les entités associées	6.4	0.1	-	6.3
Actifs financiers non courants	6.2	0.5	-	5.8
Impôts différés actifs	4.9	6.7	-	1.8
Total actifs non courants	23.5	16.4		7.1
Stocks	1.0	2.8	-	1.8
Clients	18.2	19.1	-	1.0
Autres actifs courants	10.6	8.9	-	1.7
Actifs financiers courants	3.4	-	-	3.4
Trésorerie et équivalents de trésorerie	32.8	36.4	-	3.6
Total actifs courants	66.1	67.2	-	1.1
Total des actifs	89.6	83.6		6.0

Bilan passif

ME - consolidé IFRS	31/12/2016	31/12/2015		Var 16/15
Capitaux propres	54.2	54.9	-	0.7
Passifs financiers non courants	6.3	-		6.3
Provisions – part non courante	0.2	0.4	-	0.2
Total passifs non courants	6.4	0.4		6.0
Passifs financiers courants	3.3	0.6		2.7
Provisions – part courante	2.7	2.4		0.3
Fournisseurs et comptes rattachés	17.2	17.2	-	0.0
Autres passifs courants	5.8	8.1	-	2.2
Total passifs courants	28.9	28.3		0.6
Total des passifs	89.6	83.6		6.0

Perspectives 2017

- Utilisation transition 4k pour l'adoption de la plateforme TV par les clients actuels
- Elargissement de l'offre de produits au delà de la TV connectée vers la maison connectée
 - important vecteur de croissance pour les Telcos
 - positionnement de Netgem identique à celui adopté pour la télévision
 - 2 nouvelles innovations présentées au Mobile World Congress 2017
 - Voice Control avec Amazon (Alexa, Echo)
 - Soundbox, combinaison d'une box et de hauts-parleurs connectés
 - Pour la mise en place de Soundbox, accord de licence et investissement stratégique avec Voxtok, startup française qui développe ces technologies depuis 3 ans
 - prêt relais de 150k€ à Connected Labs au 31/12/16

Perspectives 2017

- Marge brute communiquée sur base trimestrielle, meilleur reflet de l'activité du groupe
 - ajustement du calendrier de communication en conséquence
 - transition SaaS progressive, impliquant toujours volatilité du CA et marge brute sur base trimestrielle

Calendrier de communication financière

- Chiffre d'affaires et marge brute du 1er trimestre 2017 : 3 mai 2017, avant bourse
- Assemblée générale annuelle : 1er juin 2017
- Résultats du 1er semestre 2017 : 28 juillet 2017, avant bourse
- Chiffre d'affaires et marge brute du 3ème trimestre 2017 : 13 octobre 2017, avant bourse

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Merci !