

# 2023 Results

SFAF analysts call - March 28th 2024

**Mathias  
Hautefort**  
CEO



**Sandrine  
Alexandre,**  
CFO



ALNTG  
EURONEXT  
GROWTH



# Agenda

01. 2023 KEY TAKEAWAYS

02. 2023 RESULTS

03. 2024 GUIDANCES

04. Q&A





# 2023 Key takeaways

**Mathias  
Hautefort,**  
**CEO**



# Our main achievements in 2023

## Market Focus

We are focused on the **European video entertainment technology market**, thanks to selected acquisitions, the divestment of our fiber retail business and new products developments

## Positive and growing fundamentals

### Recurring revenue

grew by **+55%** yoy  
P&L showing growth in all main aggregates

Strong balance sheet with **€6.6M of cash**

Proposed dividend of **€0.05** a share

## In capacity to finance growth

Whether through the **acquisition of new customers** or a **selective acquisition strategy**,

thanks to a shareholder base including more **investors with a strong expertise in our market**

## while maintaining ambitious CSR targets

With additional **value sharing** with our employees

And new **environment-friendly plans**

# A large addressable market in Europe

- ✓ Our ambition is to be instrumental to the **monetization** of entertainment content through **telcos** and **OTT platforms**.
- ✓ Our end-to-end offer covers the **entire audiovisual value chain**, from storage to distribution, and a vast spectrum of content types, from films to video-games.
- ✓ Our innovative technologies set us as a **“Entertainment Tech”** company, with a significantly larger scope for Netgem than its historical Telecom market.



# A diversified group of customers & partners

## Telco Operators

zeop

TalkTalk

net+

elisa  
VIIHDE



## Content Partners



Mediawan  
NBCUniversal

## Media Services



prime video  
amazon

newen  
STUDIOCANAL

PATHE!



# Our strategy has led to improved fundamentals

Recurring revenues

**+55%** (€22.3m)

2023 vs. 2022

Gross profit

**+10%** (€22m)

2023 vs.2022

EBITDA

improvement

**+14%** (€7.8m)

2023 vs.2022

Positive EBIT (ROC)

**+€0.4m**

vs. -€2.1m in 2022

Net cash position

**€5.7m**

**+16%** 2023 vs.2022

annual dividend

**€1.5m**

paid in **2023**

# Innovation centric company

## Self-financing capacity

We have the means to finance our organic growth in 2024

## Organic growth

Based on the developments secured in 2023, we plan on acquiring new customers

## Innovation and acquisitions

Innovation and possible targeted acquisitions will be the drivers of our growth

**Launch of “Cloud Gaming” with Zeop and Gamestream illustrates Netgem’s innovation capacity**



The image shows a promotional graphic for the Indiana Jones video game. On the left is a photograph of Harrison Ford as Indiana Jones. On the right is a LEGO minifigure version of Indiana Jones. The text 'INDIANA JONES' is written in a stylized font across the bottom of the image. A game controller icon is in the top right corner.

**Entrez dans le Game !**  
Voyez le film. Incarne le héros.

**zeop** GAMING | Powered by **Pleio**



# Our performance is multi-faceted



## HUMAN RESOURCES

### 112 people

based in Paris (FR),  
Augy(FR) and London (UK)

**44 years** old average age  
& **12 years** average  
seniority

**91% of “CDI” contracts**



## GENDER PARITY

**26%**

women in total headcount

**33%**

women in the executive  
committee



## STREAMING responsible

## ENVIRONMENT

### Green Streaming

Reduce energy mode &  
project for Augy

### ESG Rating

73/100 in progress





# 2023 Financial Results

**Sandrine  
Alexandre,**  
CFO



# Improving fundamentals throughout

From top-line to bottom-line

<b>IFRS DATA</b> in million of euros	<b>FY 2023</b>	<b>FY 2022</b>	<b>% CHANGE</b>
Revenue	<b>35.6</b>	36.3	-2%
Including Recurring revenues	<b>22.3</b>	14.4	+55%
Gross profit	<b>22.0</b>	20.1	+10%
Opex	<b>(14.2)</b>	(13.2)	+7%
EBITDA	<b>7.8</b>	6.8	+14%
Current operating income	<b>0.4</b>	(2.1)	

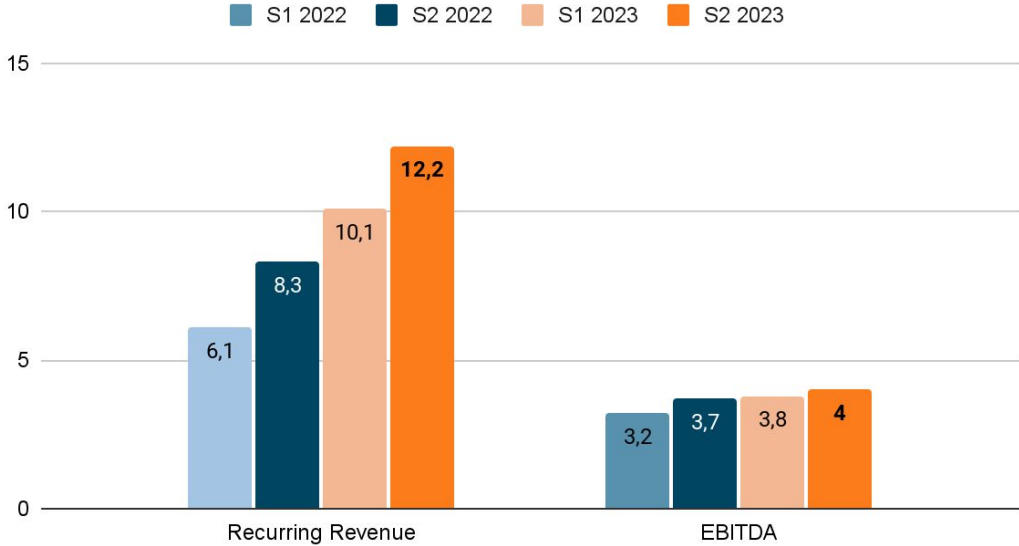
55% growth in recurring revenues

Growing gross profit combined with cost control enabled an improvement in EBITDA in FY 2023 (+14%).

Current operating income has turned positive in 2023 at +€0.4m

# Operational Efficiency

## RECURRING REVENUE & EBITDA



Growth of Recurring Revenues

+

Cost Control

=

EBITDA Growth

Positive current operating income in 2023

# Positive Net Result Group Share

## IFRS DATA

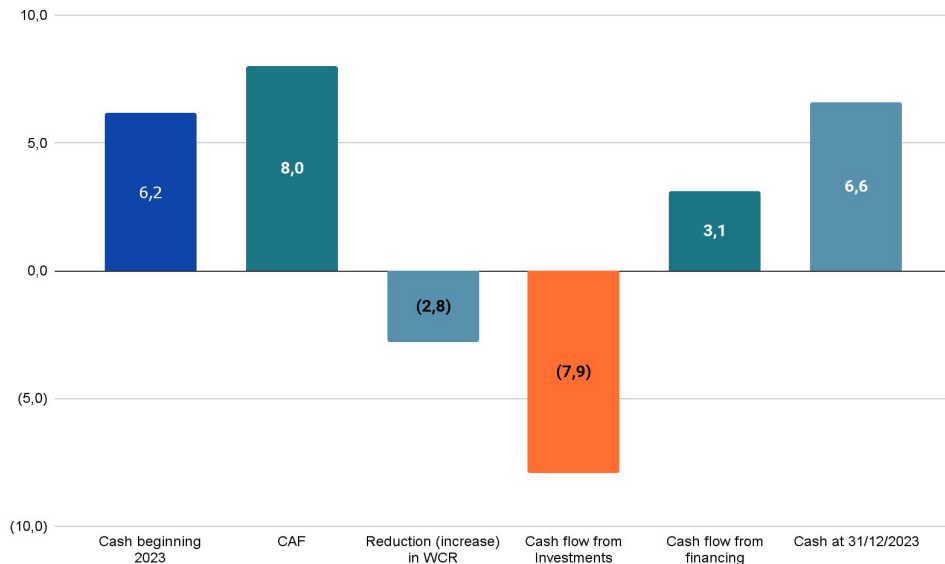
in million of euros

	2023	2022
Operating result	0.3	(2.2)
Financial result	(0.1)	(0.1)
Taxes	0.4	1.0
Net result (Group share)	0.5	0.1

Group net result improved to + 0.5m€ from + 0.1m€ in 2022. Overall net result was + 0.7m€ in 2023 compared with -1.3m€ in 2022.

# Solid gross cash position

.Gross cash position of €6.6m and net cash position of €5.7m at the end of 2023.



## Net Cash Position in €m



Capital expenditure of €7.9m includes cash flows linked to the purchase of EP and EDS, the acquisition of minority interests in Vitis, cash received following the sale of the fiber business to Nordnet, and the purchase of capitalized equipment in line with subscriber growth.

Cash flows from financing activities mainly include the payment of the annual dividend in June 2023 and cash flows linked to the €5m capital increase.

# Enhanced shareholders base

## Smart-money shareholders:

J2H and, since 2023, CDC and Manco.

## Sharing value:

Management and employees now owning near 4%



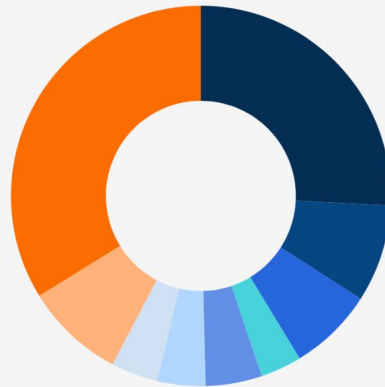
## Shareholder structure

01/01/2024

**42,3%** Free floating shares

**33,8%** Several thousand individual shareholders serving the share's liquidity

**8,5%** Growing share of funds specialised in small and mid caps



**57,7%** Solid foundation

**25,8%** Joseph Haddad & family

**8,3%** Mousse Partners

**7,2%** Caisse des Dépôts

**3,5%** Managers, employees and FCPE

**4,8%** Manco

**4,1%** Fast Forward Group

**4,0%** Self-monitoring and contract liquidity

# Value sharing



## DIVIDEND

**Confident in the Group's capacity to generate cash**, the Board will propose a **dividend distribution of 0.05 € per share** at the next AGM (0.05€ in 2023).

**Dividend yield : 5,3%**  
(based on last month average share price)



## VALUE SHARING

### PEE (employee ownership plan)

All employees benefit through the PEE in Netgem shares with a **100% matching contribution by the company**

**1,000€ "prime de partage de la croissance"** for 80% of our employees





# 2024 Guidance

**Mathias  
Hautefort,**  
CEO



# Building on our strength

1 Focused on the **European digital entertainment market**

2 **Healthy fundamentals** with all main financial KPIs in the green in 2023

3 **Product innovation** to gain new customers

4 **Streamlined operations:** agile and product-focused



# Guidances

Organic growth of recurring revenues: around **+10 %**

Continuing improvements in **profitability** and **cash conversion**

**ESG** commitment with value sharing and environmental measures

Boost value with more **innovation** and **targeted acquisitions**



# Q&A

# Thank you!



# Appendix



# Cash flow statement 2023

<b>IFRS DATA</b> in millions of euros	<b>2023</b>	<b>2022</b>
<b>Cash-flow from operations (A)(*)</b>	<b>5.2</b>	<b>6.6</b>
Of which :		
Self-financing capacity before payment of tax	8.0	6.8
Tax paid	-	-
Decrease (increase) in WCR	(2.7)	(0.3)
<b>Cash-flow from investments (B)</b>	<b>(7.9)</b>	<b>(6.0)</b>
<b>Operating cash-flow (A+B) (*)</b>	<b>(2.7)</b>	<b>0.5</b>
<b>Cash-flow from financing (C) (*)</b>	<b>3.1</b>	<b>(0.8)</b>
Of which :		
Dividends	(1.5)	(0.9)
Net purchase of treasury shares	0.2	(0.2)
Issues/Repayments of loans and financial debts	(0.5)	0.2
Increase in capital	4.9	-
<b>Net cash change (A+B+C)</b>	<b>0.4</b>	<b>(0.3)</b>

(\*) excluding IFRS 16 restatement.

# Equity, debt and net cash analysis

<b>IFRS DATA</b> in millions of euros	<b>2023</b>	<b>2022</b>
<b>Equity and debt</b>		
Equity, Group share	25.1	23.5
Current and non-current financial liabilities	0.9	1.3
<b>Net Cash Analysis</b>		
A - Liquidity	6.6	6.2
B - Current financial liabilities	0.4	0.5
C - Net current cash (A)-(B)	<b>6.2</b>	<b>5.7</b>
D - Non-current financial liabilities	0.5	0.8
E - Net cash (C)-(D) before IFRS 16 impact	<b>5.7</b>	<b>4.9</b>
F - Impact of IFRS 16 standard	1.1	1.6
G - Net cash (E)-(F)	4.6	3.3

**As of December 31, 2023, the gross cash position is €6.6million and the net cash position is €5.7 million (excluding IFRS 16 impact)**