

#TelcoTV

TV, the Telco way

Comptes annuels 2016

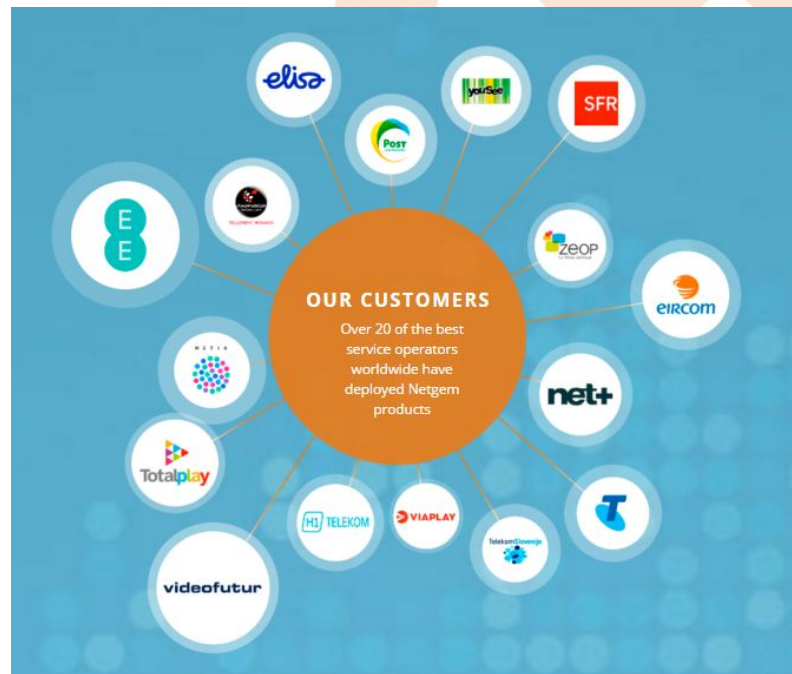
6 avril 2017

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



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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**

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



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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

FINALIST



MEETING THE OTT CHALLENGE

FINALIST



BEST MOBILE APP MEDIA, FILM, TV OR VIDEO

WINNER



MULTI-SCREEN EXPERIENCE

FINALIST



SECOND SCREEN EXPERIENCE

FINALIST



BEST CONNECTED HOME SERVICE

WINNER



CONTRIBUTION TO USER EXPERIENCE
COMMENDED
BEST TV SERVICE

FINALIST



BEST MULTI-SCREEN TV

FINALIST



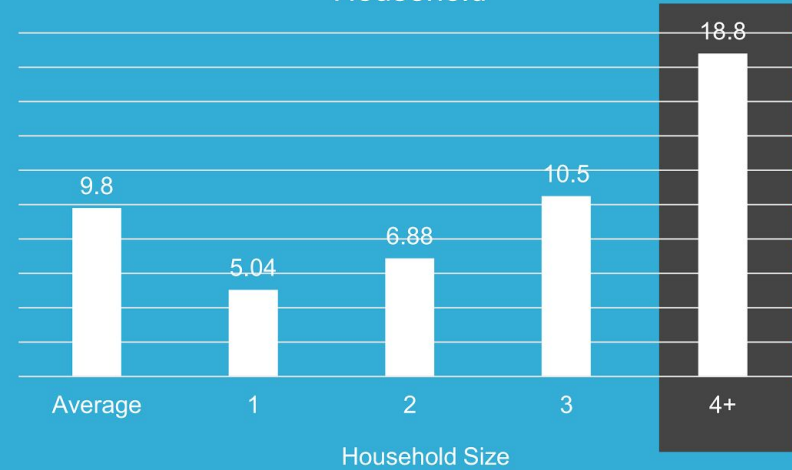
TV INNOVATION

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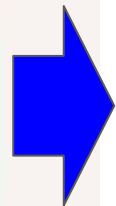
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**Consumer
trends?
+
Telecom
Operators
needs?**



**Innovative
product
+
Differentiating
Consumer
proposition**

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



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

You Tube 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

M€ - 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

M€ - 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

M€ - consolidé IFRS	31/12/2016	31/12/2015	Var 16/15
Ecart 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

M€ - 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 !