



Amino Technologies plc Full year results

For the year ended 30
November 2019

Donald McGarva, Chief Executive Officer
Mark Carlisle, Chief Financial Officer

Smarter, more cost-effective ways of delivering modern video experiences



Media Tech

Amino is a new and innovative breed of Media Tech business addressing the seismic shifts that are forcing traditional TV and online streaming services to convergence.

Disruption

It's our belief that in this disruptive environment the successful media companies and services will be those that are most consumer-centric, data driven and flexible to change.

User Experience

While content is key, how consumers discover, access, view and interact is of incredible importance too.

Innovation

Amino is focused on innovating technologies that optimize the entire video experience, however consumers choose to view and interact.

Highlights

Tangible strategic progress and strong financial performance

Repositioning as high growth software business

Gross margin increased to 46% (FY18: 41%)

Integrated 24i - provides entry into online video

Strong cash performance with 113% EBITDA conversion

First Amino/24i joint customer - Youfone

Successful transformation programme

Successful transformation to software revenues



Next generation video experience

- Entry into high growth online video market
- Supports drive to deliver modern video experiences driven by UX
- AminoTV highly complementary to, and combined with 24i; renamed Smart Video



Modern IP/Cloud TV technology solutions

- Supports ongoing shift towards software and services
- Strong cash generation
- Transformation programme completed in full and including cost savings, on time, in April 2019

Financial highlights

Resilient margins and operating cashflow

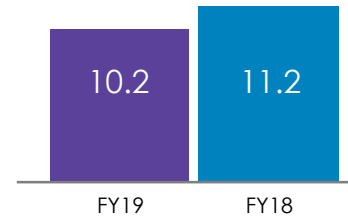
Resilient margins

Excellent cash performance

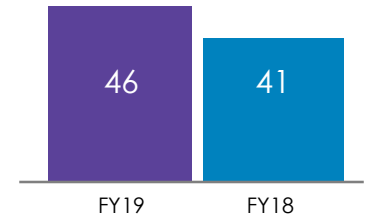
Robust balance sheet

Dividend maintained

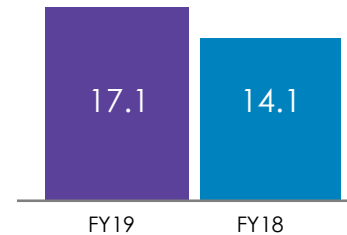
Adjusted operating profit \$m



Gross Margin %

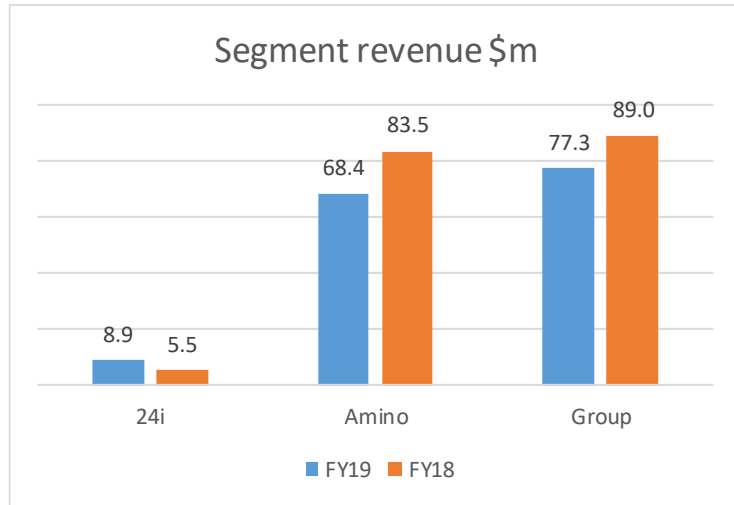


Adjusted operating cash flow \$m

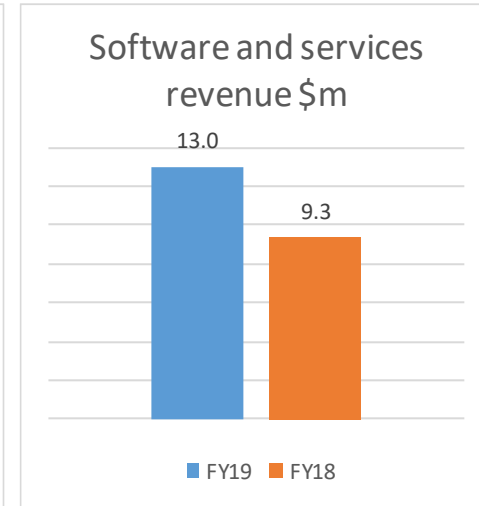
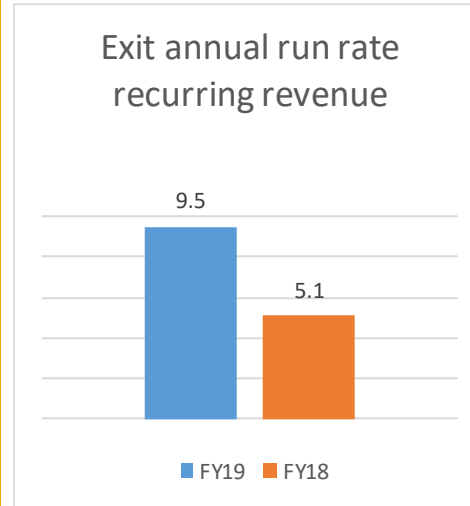


Adjusted operating cash conversion 113%

Improved quality of revenues

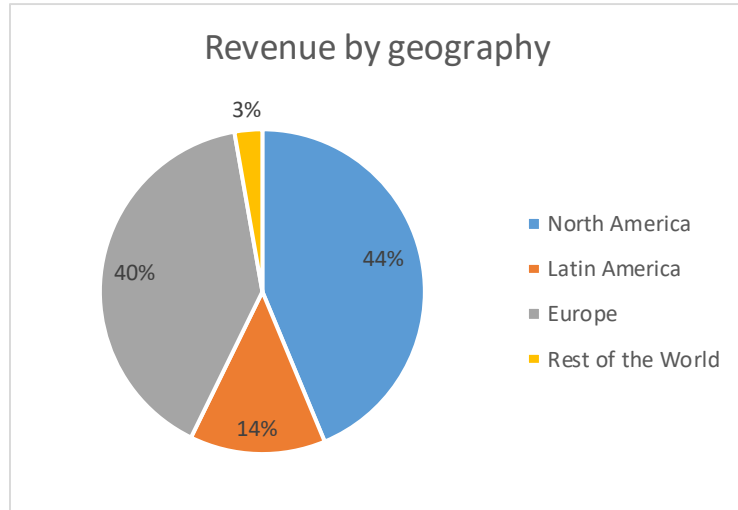


- Amino and 24i segment results shown separately for the first time
- Revenue ahead of market expectations

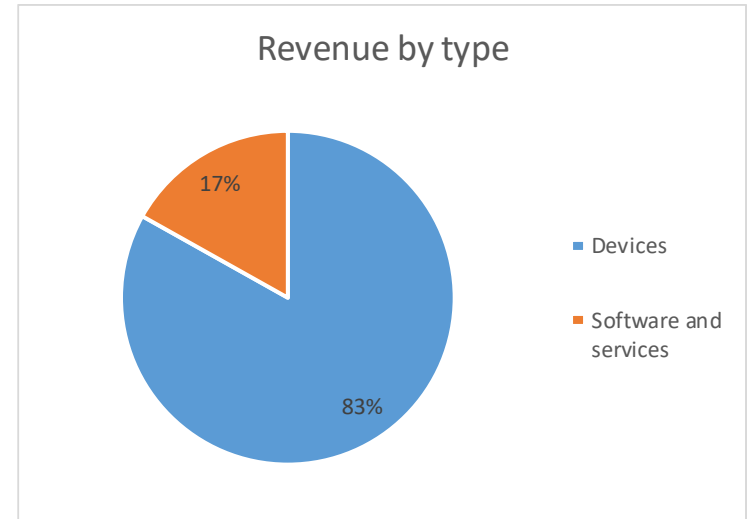


- Annualised recurring revenue \$9.5m at 30 Nov 19
 - Recurring revenue is c45% of total software and services revenue and c8% of total group revenue
- Amino segment grew software and services organically by 12% in FY19

Geographically diverse revenues, continuing shift to software and services



- 24i: good fit with the existing Amino geographic footprint



- Significant growth expected in software and services revenue in FY20
- AminoOS software integrated and sold with all devices

Income statement summary

\$m	FY19	FY18	Var
Revenue	77.2	88.9	(11.7)
Cost of sales	(41.5)	(52.5)	11.0
Gross profit	35.7	36.5	(0.7)
Margin %	46%	41%	-2%
Operating costs	(20.9)	(19.7)	(1.2)
Adjusted EBITDA	14.8	16.8	(1.9)
Margin %	19%	19%	0%
Depreciation and amortisation	(4.6)	(5.6)	1.0
Adjusted operating profit	10.2	11.2	(1.0)
Margin %	13%	13%	1%
Exceptional items	(1.0)	1.4	(2.4)
Share-based payments	(0.8)	(1.4)	0.5
Amortisation of acquired intangibles	(4.1)	(3.5)	(0.6)
Net interest	(0.8)	0.0	(0.8)
Profit before tax	3.5	7.7	(4.2)
Corporation tax	(0.6)	0.1	(0.7)
Profit after tax	2.9	7.8	(4.9)

- Revenue ahead of market expectations
- Gross margin 5% improvement:
 - Component price decreases
 - Higher margin software and services revenue
- EBITDA margin 19% maintained
- Exceptional items:
 - \$1.5m income - royalty costs renegotiated
 - \$0.7m redundancy costs
 - \$0.7m expensed contingent consideration
 - \$1.1m acquisition costs
- Interest includes costs of renegotiating working capital facility earlier than planned
- Dividend maintained at 7.32p per share

Cash flow summary

\$m	FY19	FY18	Var
Adjusted EBITDA	14.8	16.8	(2.0)
Movement in working capital	2.4	(2.7)	5.1
Adjusted operating cash flow	17.2	14.1	3.1
Exceptional items	(3.4)	0.2	(3.6)
Cash flow from operating activities	13.8	14.3	(0.5)
Net interest	(0.1)	0.1	(0.2)
Corporation tax	(1.0)	(0.1)	(0.9)
Capex	(4.3)	(4.8)	0.5
Free cash flow	8.4	9.5	(1.1)
Net cash paid for acquisitions	(18.9)	0.0	(18.9)
Dividends	(6.9)	(6.8)	(0.1)
Shares issued	0.0	0.2	(0.2)
Net loans drawn/(repaid)	5.6	0.0	5.6
Net cash flow	(11.8)	2.9	(14.7)
Foreign exchange	0.0	0.0	0.0
Opening cash	20.3	17.4	2.9
Closing cash	8.5	20.3	(11.8)
Bank borrowings	(7.2)	0.0	(7.2)
Net cash/(debt)	1.3	20.3	(19.0)

- Adjusted operating cash flow up \$3.1m on FY18 to \$17.2m
- Exceptional cash costs comprised:
 - \$1.8m redundancy costs
 - \$1.1m acquisition costs
 - \$0.5m escrow release received in FY18
- \$4.1m R&D capitalised in period
- Dividend payments of \$6.9m
- Net cash paid for acquisitions of \$18.9m plus debt of \$1.6m taken on
- \$15m working capital facility put in place in November 2019

Evolution of TV

YESTERDAY

Linear TV schedules
Grid EPG
TV only consumption



TODAY

Increased consumer influence
Multiscreen consumption
Content is King



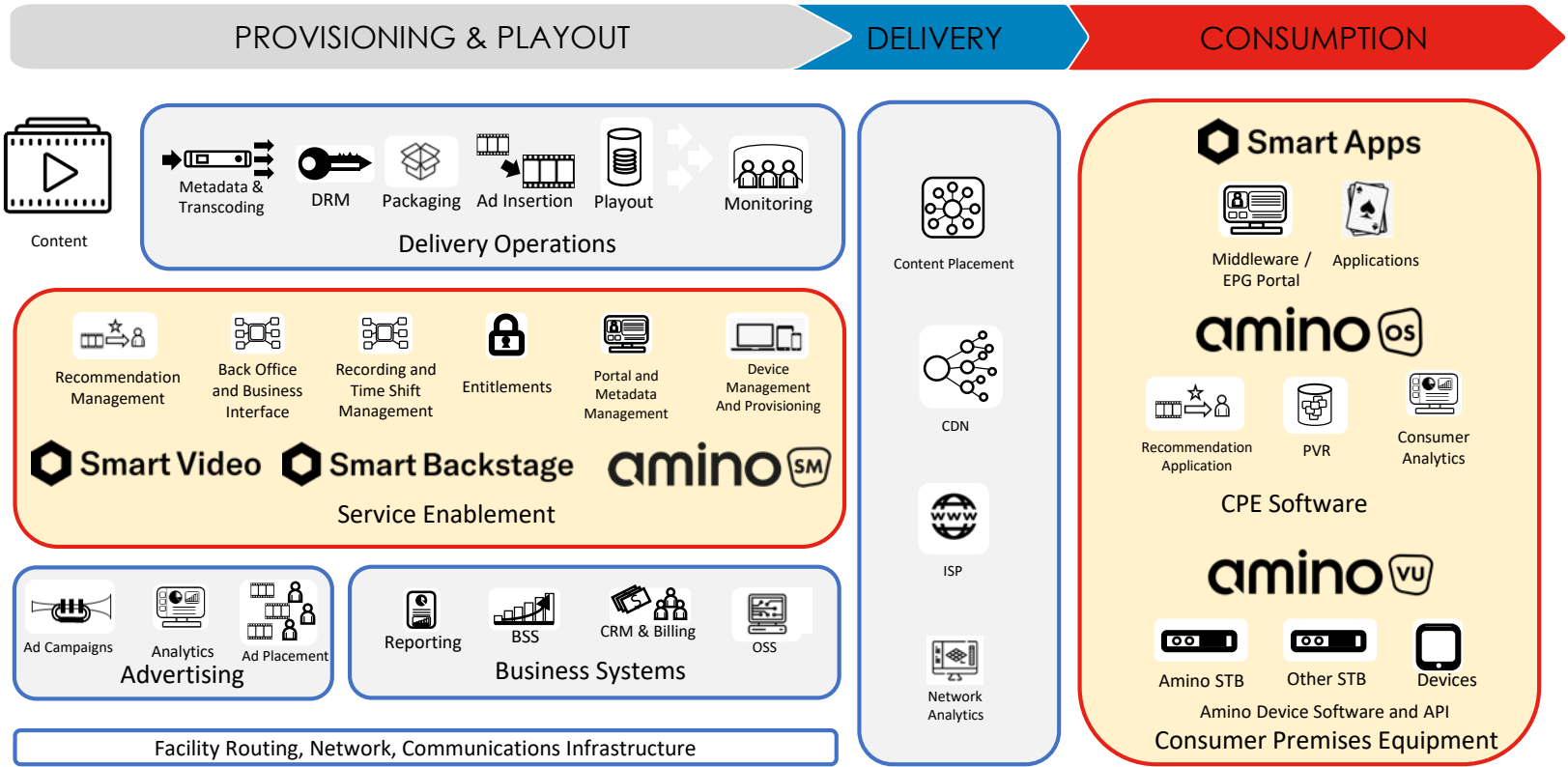
TOMORROW

Fragmented video/TV market
Data driven creation,
monetization & delivery
UI/UX differentiating
consumer experience



DTVE 2019 Survey – "UI is of equal importance to channel line-up"

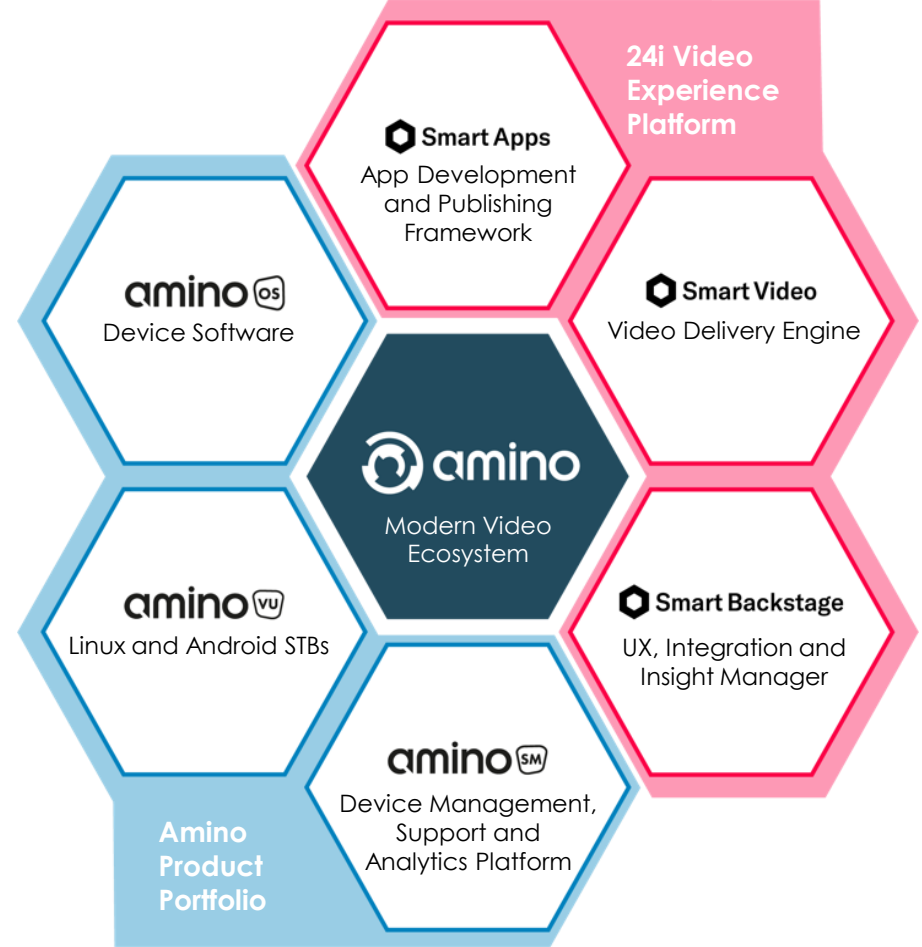
Amino's technology within the Media Technology ecosystem



Modern Video Ecosystem

Our goal is to provide our operator, broadcast and media customers with the enabling technologies that fulfil and anticipate **consumer led** expectations and requirements.

- Positioning our eco-system as unique and extended value chain.
- Powerful set of products that power our solutions capability.



Youfone – our first joint contract

youfone



Providing a fully integrated, end-to-end video solution

- First proof point for strategy to combine 24i and Amino's capabilities
- Amino and 24i also continue to work jointly on a number of upcycling opportunities in North America
- Healthy pipeline of sales opportunities in our key growth market segments



Strategic priorities



INNOVATION • ACTION • ADVANTAGE

Expand

the Group's addressable market by investment in disruptive technology either organically or via M&A;

Grow

margins by focussing on high growth software and services solutions as well as value-add hardware. By investing in products in these areas we aim to increase our software and recurring revenue thereby improving the visibility of revenue going forward; and

Maintain

strong levels of operating cash generation to provide appropriate levels of return to shareholders as well investment for the future growth of the Company.



Investment case



Clear strategic focus

TV Everywhere, Android TV
and Upcycling

Market opportunity

Fragmented market, ripe
for consolidation

Quality of earnings

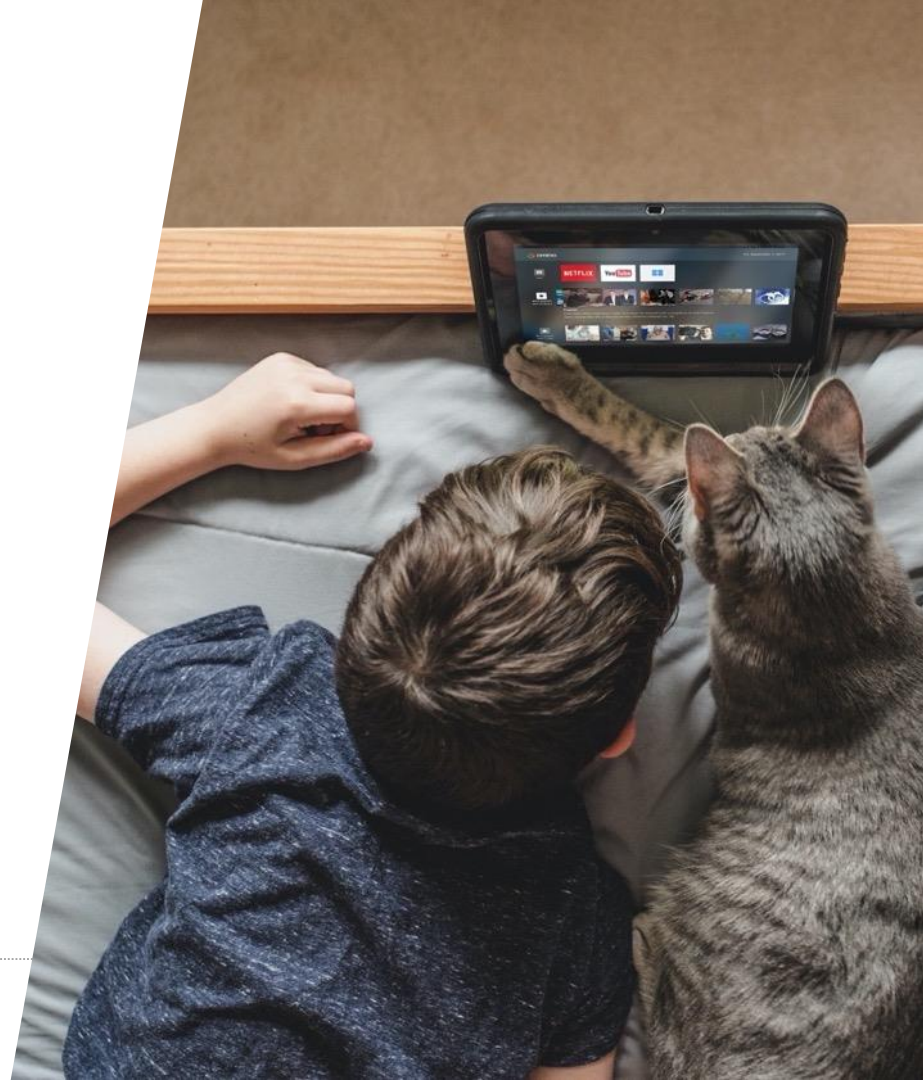
Transition to software and services,
and value-added hardware

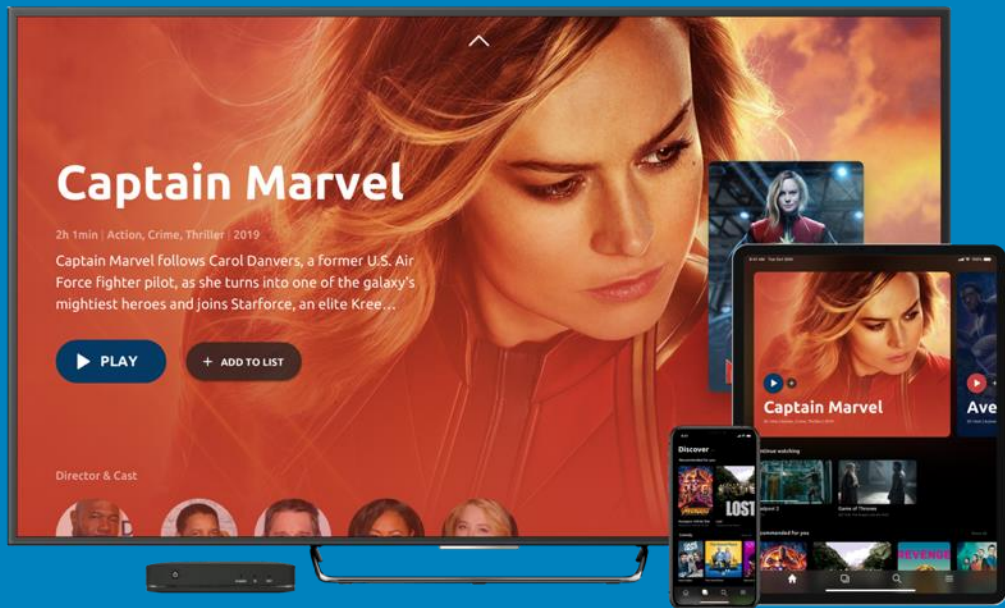
Resilience and cash generation

Industry leading margins and strong
cash generation

Summary and outlook

- Strong financial performance and strategic progress
- Market leading position following complementary acquisition of 24i
- Good demand from customers with solid order book and pipeline visibility for FY20
- Improved business model presents renewed confidence in opportunities for growth





Thank you -
any questions?

www.aminocom.com

Amino in Numbers

1000
customers

 **Smart Backstage**
80m api calls per month

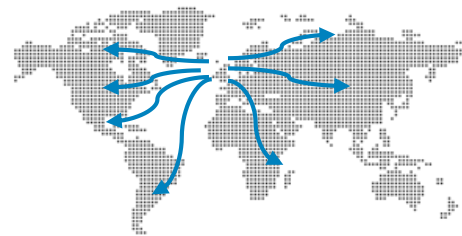
 **Smart Apps**
8.7m starts per month

300

customers with
24i Apps

20 

20 year
IP pioneer



11 million AminoOS
deployments

PUREFLIX

400k MAUs growing
at 8% per month



over 10k app
downloads per month

De Telegraaf

50 million views
per month



100k Apple store app
downloads in 10 days

Customers comprise both Telco Operators as well as Broadcasters and Content Owners

Broadcasters and Content Owners



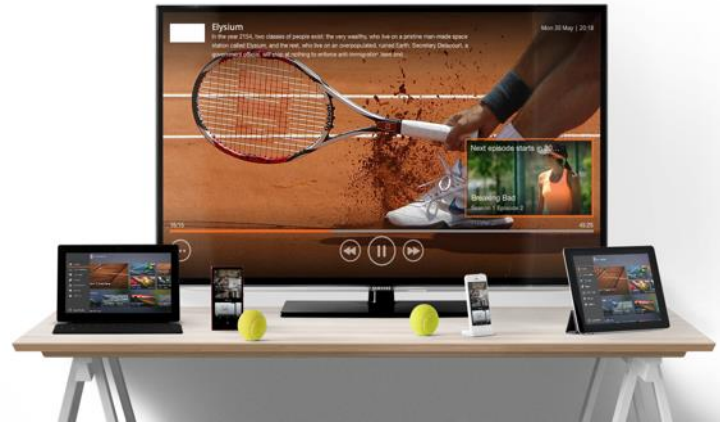
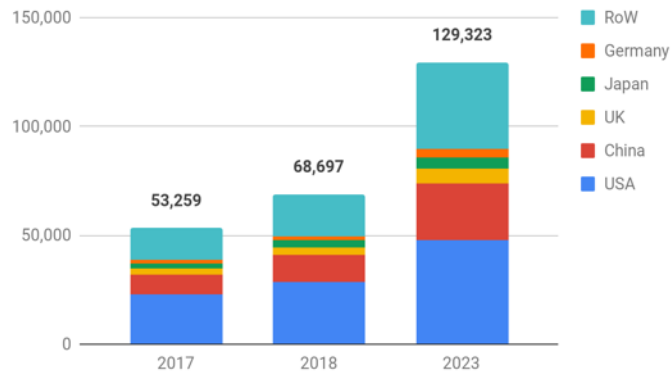
Operators



OTT is a disruptive phenomena for the TV and media industry

- \$500bn worldwide TV revenue challenged, and rechannelled
- From passive, anonymous broadcasts to interactive, personalized engagements
- Industry leaders are shifting their strategy, changing their value model and modernising their consumer offering

Global OTT TV & video revenue forecast by top countries (\$m)



Content is still king but the market is being disrupted...

The traditional media market is blurring – operators, broadcasters and OTT services now compete for content and see user experience as a key differentiator.



A need to merge all screens into services



NETFLIX

