



## Amino Technologies plc Interim results

For the six months  
ended 31 May 2020

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

# Three key points for today

1

Strategic transition  
to software led  
company

2

Positioned in a growing part of  
a great marketplace - bridging  
traditional TV and video  
streaming

3

Resilient business  
model

# Highlights

## Transformation to software-led business supporting improved resilience

Strong platform to capitalise on the acceleration of streaming

Continuing to win business with existing and new customers

Investment in product for long-term profitable growth

Revenues up 10%, reflecting focus on software-led strategy

Software and services now 26% of group revenues

Recurring revenues doubled to c.\$10m

## First half progress

**24i has grown revenues organically by 30% as a result of increased volumes from existing customers and new customer implementations of multiscreen services**

Broadway HD scaled successfully as active users increased by 2000%

4 month deployment of a full end to end video service at Youfone in 4 months (usually takes 18 months)

Launched first Android TV service in the Netherlands

Deployed Smart Apps and Smart Video at Topic in New York – 1<sup>st</sup> Smart Video deployment outside EMEA.

NPO (Broadcaster) streaming starts increase in April by 35%

Deployment of Next Gen platform at scale at Slovak Telecom

First half progress

**Amino has continued to deliver on its Pay TV+ and upcycling strategy whilst also increasing recurring revenues from its service management and self-install software software**

## Engage SaaS platform:

Service Management devices up 100% year on year and continuing to grow at that rate

Self install and service management offered for free during COVID 19

## Pay TV+:

Amazon Prime, Netflix, Disney+ and Google certifications on Android TV completed

## Upcycling:

New project to deliver \$5m savings to a European operator

# Market position

## 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 still the primary attraction, how consumers discover, access, view and interact is now of critical importance.

## Innovation

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

# Our Vision

We forged our vision through a focus on the **consumer**, our **customers**, market research and a **data led** process.

Why we  
do it

*Making it easy for  
people to connect  
to the TV and Video  
they love*

How we  
do it

*Simplifying the complex  
to enable customer  
choice and  
convenience*

What  
we do

*Smarter, more  
cost-effective ways  
of delivering a modern  
video experience*

# The TV and Video Market is Fragmenting

- 72% of content viewers have **at least one** streaming service; the U.S. average is 3.3 streaming services per HH
- 58% of US HH subscribe to **both** pay TV and streaming services
- 51% of streamers feel there are **too many services**
- 48% are frustrated that they **cannot search** across all services to find content
- 64% of content viewers would like the **convenience** of having their streaming and TV services managed through a single provider



Source: State of Pay TV, OTT & SVOD 2020

# Consumers Want the Best of Both Worlds

## Streamers want pay TV-like features.

They are annoyed when:

- 88%** It is not as easy switch channels as it is with a remote and Pay TV service
- 81%** There is so much content, it takes forever to navigate
- 76%** The quality of service is never as good as traditional pay TV
- 57%** Basic features like PLTV or Catch-up TV don't seem to work very well



## Pay TV subs want streaming features

Top improvements wanted:

- 76%** Integrate streaming services
- 75%** Curate channel bundles
- 70%** Pause subscription
- 68%** Improve content discovery



# Amino's answer - TV X.0

A powerful set of solutions designed for video delivery and consumption driven by consumer expectations

## Multiscreen Video



**Modernize** service delivery for the interactions of tomorrow

## Pay TV+



Increase operator agility to **extend** their video service capabilities

## Upcycling



Optimize, revitalize and **prolong** the life of devices

# Products and business models



 Smart Video

amino 

 Smart Apps

 Backstage

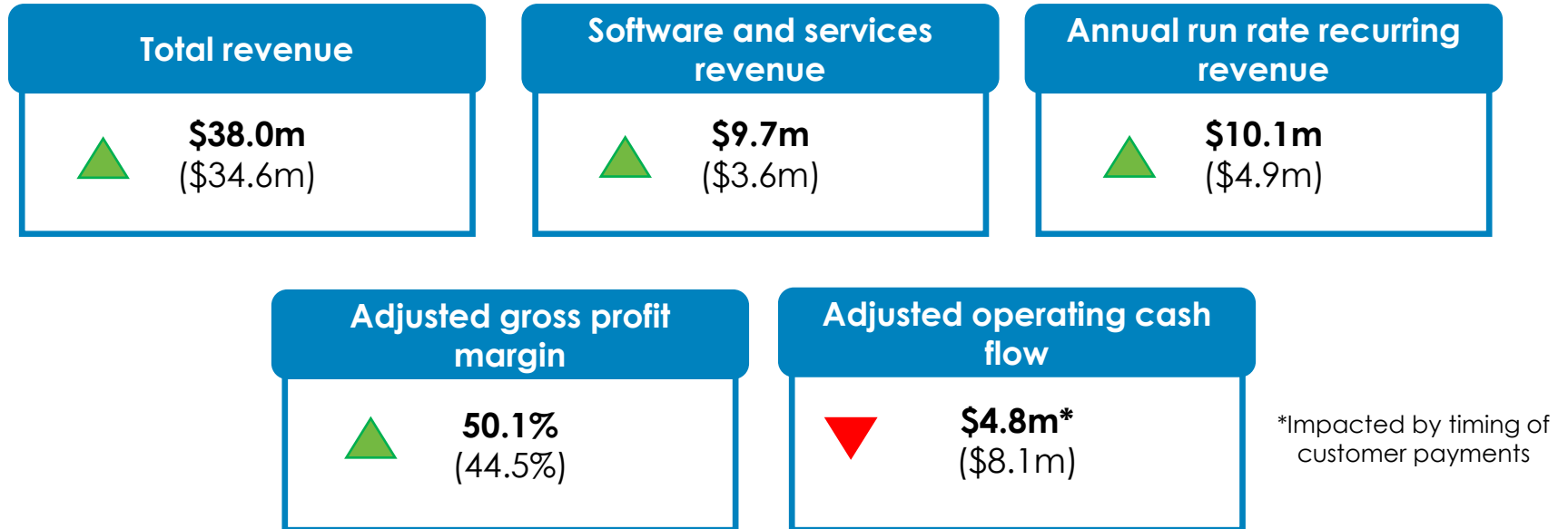
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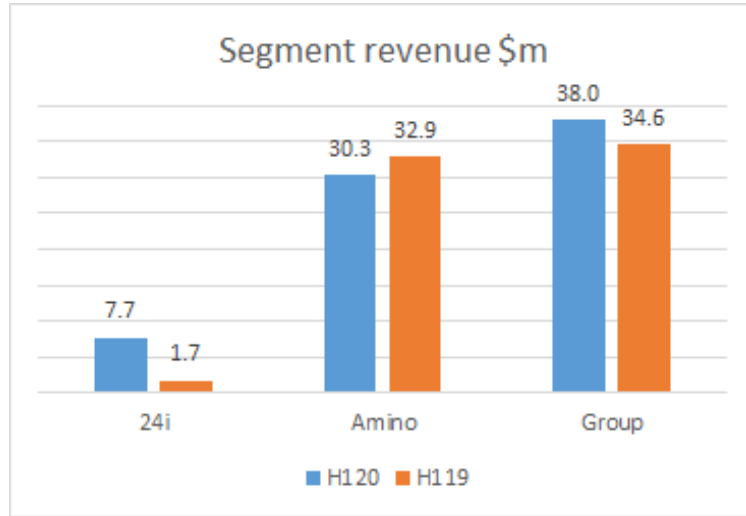
 Backstage



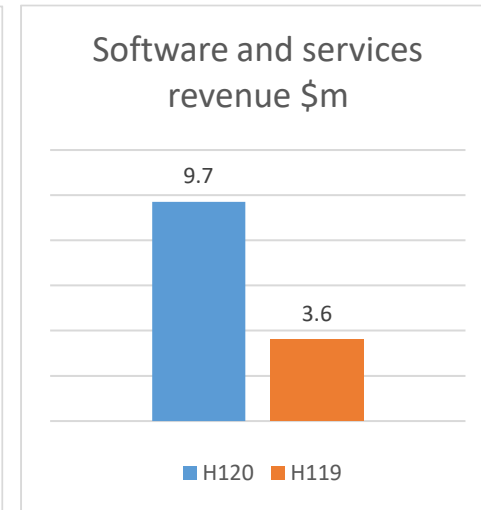
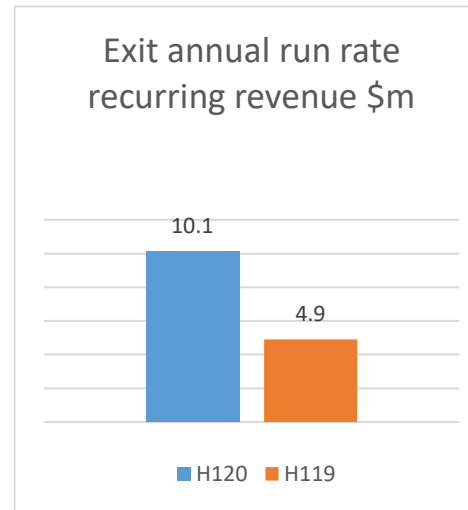
# Software-led progress against KPIs



# Improved quality of revenues

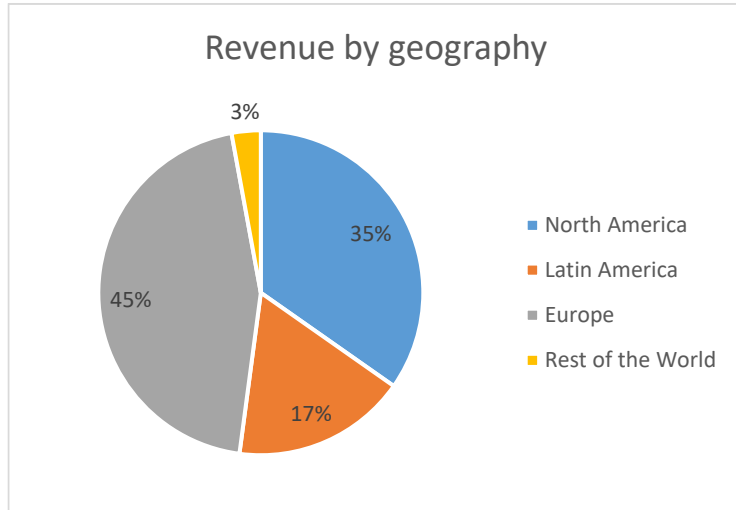


- 24i segment grew revenue organically by 30% YoY

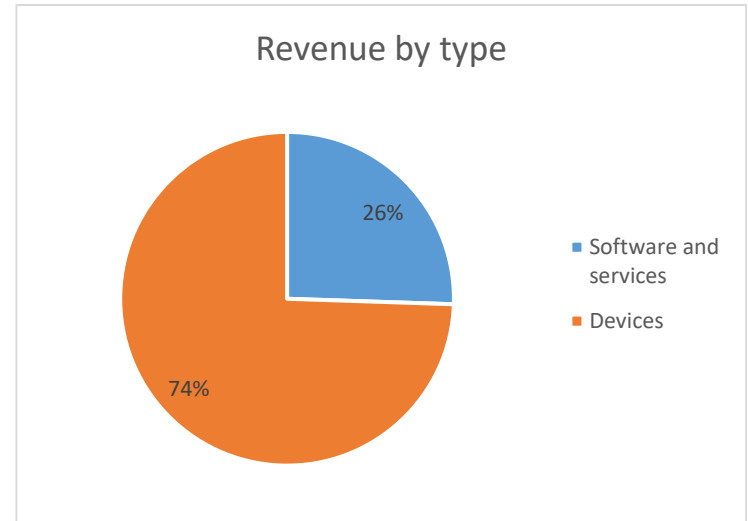


- Software revenue grew organically by 24% YoY
- Software revenues represent 26% of total revenues
- Annualised recurring revenue \$10.1m at 31 May 20
  - Recurring revenue is c.50% of total software and services revenue and c.14% of total group revenue

# Geographically diverse revenues, continuing shift to software and services



- Europe: growth in revenue in Europe reflects roll out of new services at existing customers
- North America: decline in revenue due to COVID-19 delays and general market declines



- Software and services up from 10% in H119
- Significant growth expected in software and services revenue in FY20
- AminoOS software integrated and sold with all devices

# Income statement summary

\$m	H120	H119	Var
Revenue	38.0	34.6	3.4
Cost of sales	(19.0)	(19.2)	0.2
<b>Gross profit</b>	<b>19.0</b>	<b>15.4</b>	<b>3.6</b>
Margin %	50.0%	44.5%	5%
Operating costs	(11.9)	(8.5)	(3.4)
<b>Adjusted EBITDA</b>	<b>7.1</b>	<b>6.9</b>	<b>0.2</b>
Margin %	19%	20%	-1%
Depreciation and amortisation	(3.0)	(2.2)	(0.8)
<b>Adjusted operating profit</b>	<b>4.1</b>	<b>4.7</b>	<b>(0.6)</b>
Margin %	11%	14%	-3%
Exceptional items	(0.6)	(0.3)	(0.3)
Share-based payments	(0.3)	(0.5)	0.2
Amortisation of acquired intangibles	(2.5)	(1.7)	(0.8)
Net interest	(0.2)	0.0	(0.3)
<b>Profit before tax</b>	<b>0.5</b>	<b>2.2</b>	<b>(1.8)</b>
Corporation tax	0.0	(0.1)	0.1
<b>Profit after tax</b>	<b>0.5</b>	<b>2.1</b>	<b>(1.7)</b>

- Revenue growth of 10% as a result of growth in software and services revenue
- Gross margin 5% improvement due to higher margin software and services revenue
- EBITDA margin 19%
- Decrease of \$0.6m in Adjusted Operating Profit reflects investment in 24i
- D&A increase of \$0.6m due to IFRS16 reclassification of lease costs
- Exceptional items:
  - \$0.2m income - royalty costs renegotiated
  - \$0.8m expensed contingent consideration
- Interest cost of facility will reduce in H2

# Cash flow summary

\$m	H120	H119	Var
Adjusted EBITDA	7.1	6.9	0.2
Movement in working capital	(2.3)	1.2	(3.5)
<b>Adjusted operating cash flow</b>	<b>4.8</b>	<b>8.1</b>	<b>(3.3)</b>
Exceptional items	(0.0)	(1.9)	1.9
<b>Cash flow from operating activities</b>	<b>4.8</b>	<b>6.2</b>	<b>(1.4)</b>
Net interest	(0.1)	0.1	(0.1)
Corporation tax	(0.6)	(0.1)	(0.5)
Capex	(2.6)	(1.9)	(0.7)
<b>Free cash flow</b>	<b>1.5</b>	<b>4.3</b>	<b>(2.8)</b>
Repayment of borrowings	(5.2)	0.0	(5.2)
Lease payments	(0.6)	0.0	(0.6)
Dividends paid	0.0	(5.3)	5.3
<b>Net cash flow</b>	<b>(4.3)</b>	<b>(1.0)</b>	<b>(3.3)</b>
Foreign exchange	0.0	0.0	0.0
Opening cash	8.6	20.3	(11.7)
<b>Closing cash</b>	<b>4.3</b>	<b>19.3</b>	<b>(15.0)</b>
Bank borrowings	(2.1)	0.0	(2.1)
<b>Net cash</b>	<b>2.2</b>	<b>19.3</b>	<b>(17.1)</b>

## Robust balance sheet

- \$4.3m gross cash
- \$13m undrawn credit facilities

## Strong operating cash flows

- Adjusted cash flow from operations \$4.8m
- Reflects cash outflow from delays due to Covid-19

# Balance sheet summary

\$m	H120	FY19	Var
Intangible and tangible assets	93.3	63.4	29.9
Deferred income tax assets	0.6	0.7	(0.1)
Trade and other receivables	0.2	0.4	(0.2)
<b>Non-current assets</b>	<b>94.1</b>	<b>64.6</b>	<b>29.5</b>
Inventories	2.5	3.3	(0.8)
Trade and other receivables	15.7	11.6	4.1
Cash and cash equivalents	4.3	19.3	(15.0)
<b>Current assets</b>	<b>22.5</b>	<b>34.2</b>	<b>(11.7)</b>
Trade and other payables	19.3	14.9	4.4
Lease liabilities	1.1	0.0	1.1
Corporation tax payable	0.5	0.7	(0.2)
Bank Loan	2.1	0.0	2.1
<b>Current liabilities</b>	<b>23.0</b>	<b>15.6</b>	<b>7.4</b>
<b>Net current (liabilities)/assets</b>	<b>(0.5)</b>	<b>18.6</b>	<b>(19.1)</b>
Trade and other payables	3.3	0.0	3.3
Lease liabilities	1.7	0.0	1.7
Provisions	1.2	1.3	(0.1)
Deferred tax liabilities	4.0	1.1	2.9
<b>Non current liabilities</b>	<b>10.2</b>	<b>2.4</b>	<b>7.8</b>
<b>Net assets</b>	<b>83.4</b>	<b>80.8</b>	<b>2.6</b>

## Working capital

- Net current liabilities of \$2.1m due to 3 month loan drawn down as part of the \$15m working capital facility

## Financing

- \$15m working capital facility with Barclays in November 2019 – runs to November 2022

## 24i Deferred consideration

- €1.1m payable in each of July 2020 and July 2021

## 24i Founder Put Option

- €2.1m payable in cash or Amino shares if exercised in July 2021



Investment in product development for long-term profitable growth

## Diversified business to address boom in streaming services



End-to-end platform deployment  
in the Netherlands

android 

amino 

Android TV device deployments; Amazon  
Prime certification including Disney+

**NETFLIX**

prime video

Disney+

 Smart Video

First deployment outside EMEA

**topic**

 Smart Apps

First deployment for the Nextgen platform

 Slovak  
Telekom

# Prioritising our employees and customers

## Engaging with our employees

- Focusing on the health and safety of our team and their families
- Handling effective working from home
- Building a stronger community and social purpose

## Improving Customer Service

- Providing consistent and resilient levels of support to our customers
- Offers of free of charge software to help remote operations and customer service
- Ensuring the safety of all of our customers

# 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

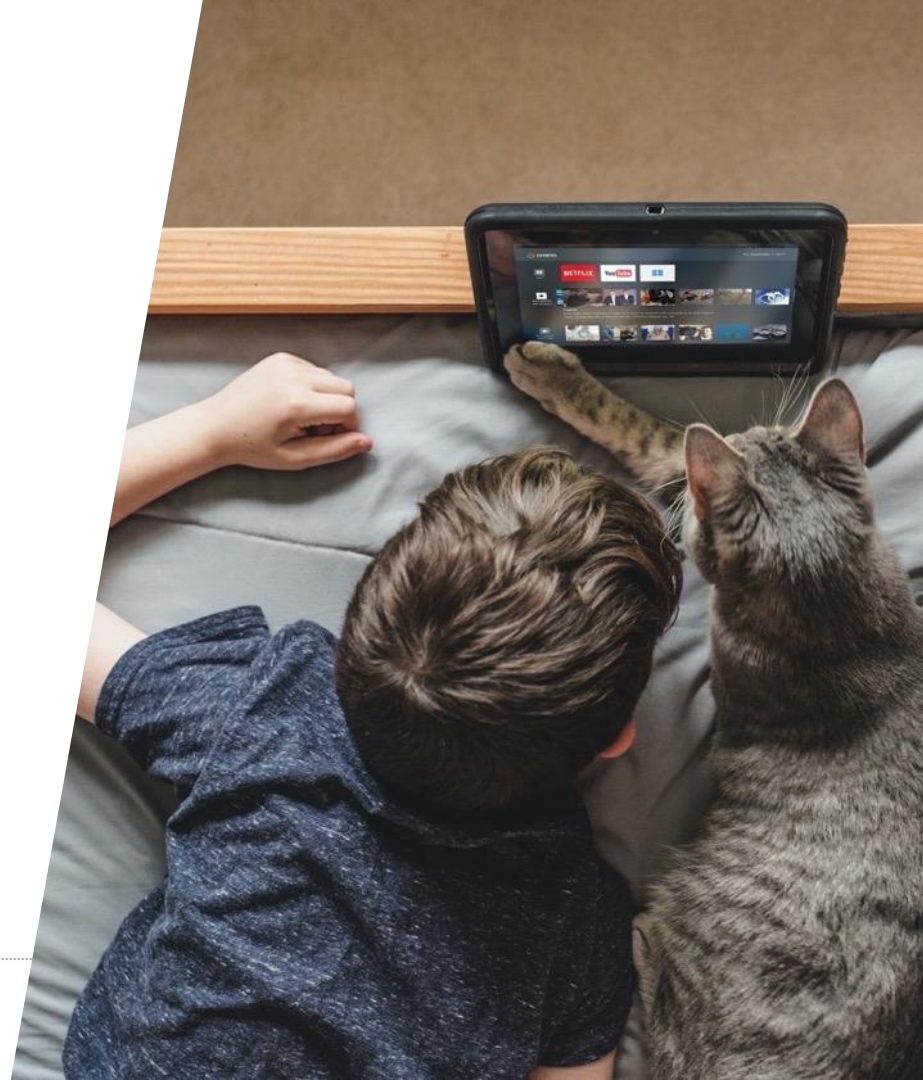
## Maintain

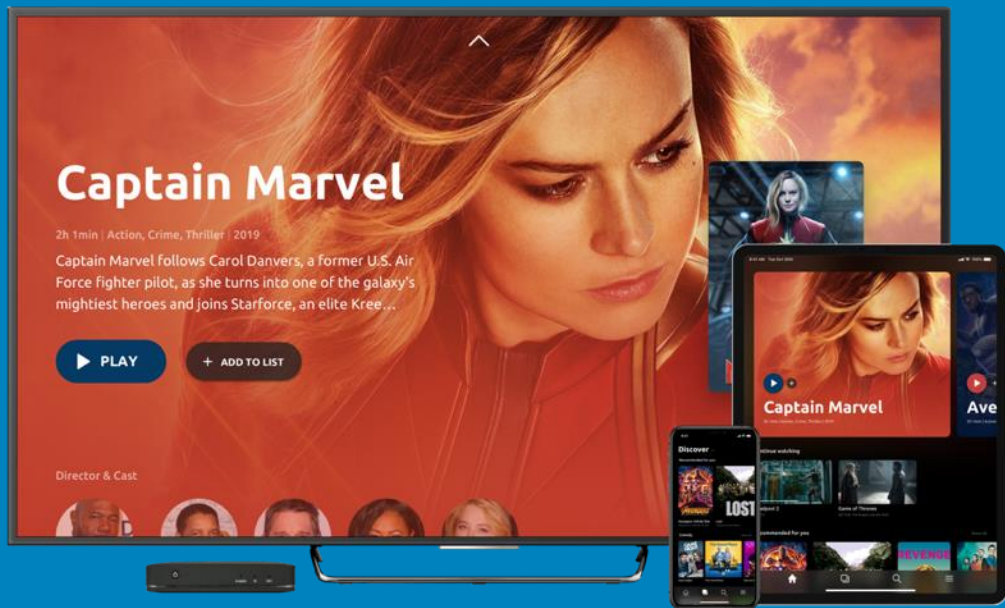
strong levels of operating cash generation to provide appropriate levels of return to shareholders as well investment for the future growth of the Company.



# Summary and outlook

- Software-led model driving resilience and progress against KPIs
- Visibility supports confidence in meeting FY20 revenue expectations
- Covid-19 to continue to impact movement of goods and delays to wins in H2 2020
- Investment in product development to drive long-term growth and operating profit





Thank you -  
any questions?

[www.aminocom.com](http://www.aminocom.com)