



Audinate®  
**FY23**  
Annual General Meeting

# Chairman's Presentation



# A look back at where we've been...

2020

## Phase 1: Demand-side shock



Customer  
orders  
pushed out



Monthly  
revenue  
cut in half



## Factory shutdowns



## Government interventions



## But that wasn't all...

2021 - 2022

### Phase 2: Supply-side shock



Chip shortages



Higher prices



Pushed out or  
cancelled  
delivery dates

### Forced redesign of Brooklyn II

### Many OEMs forced to take similar actions



# Light at the end of the tunnel...

## Highlights from FY23

US\$ Revenue  
up **40%**  
YoY

EBITDA  
up **156%**  
to **\$11M**

Net profit of  
**A\$10.6M**

(including  
recognition of  
\$7.7m of tax  
losses)



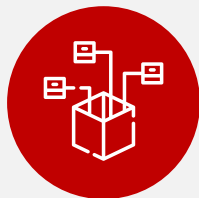
## Meaningful product highlights as well...



**Dante  
AV-H and  
AV-A  
released**



**34 OEM  
brands  
signed up  
for Dante  
video**



**48 video  
products  
launched**



**Cambridge UK  
and Silex  
Brussels teams  
delivering video  
expertise**



**Launch of  
first cloud  
product  
Dante  
Connect**



And a great start to the current year...

**Successful completion  
of capital raise**

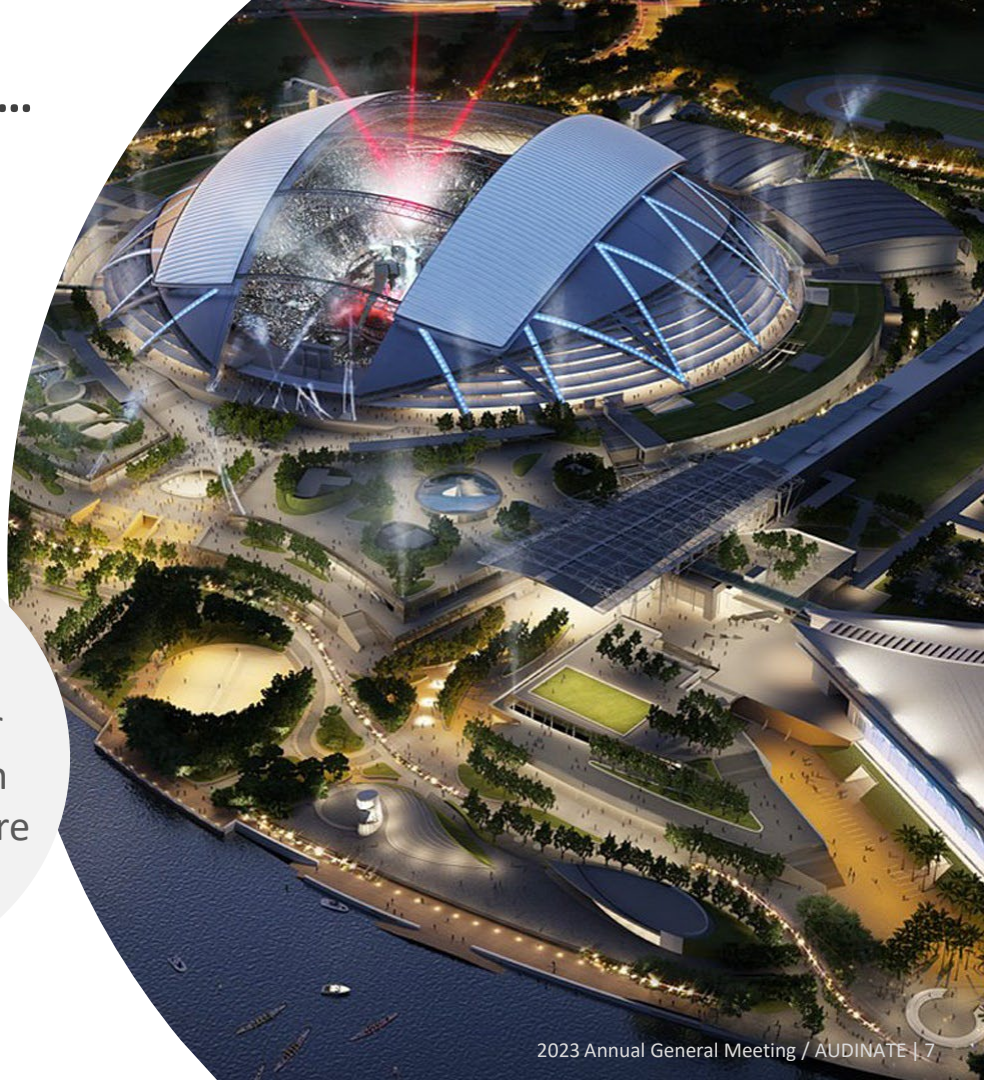


\$50M  
private  
placement



\$20M  
SPP

Will help in  
accelerating our  
strategic goals in  
video and software



# CEO's Presentation





# World-leading technology supplier to Pro-AV

Audinate is the company behind the **Dante® media networking solution** used in the professional AV industry

**3,853**  
Dante-enabled  
products

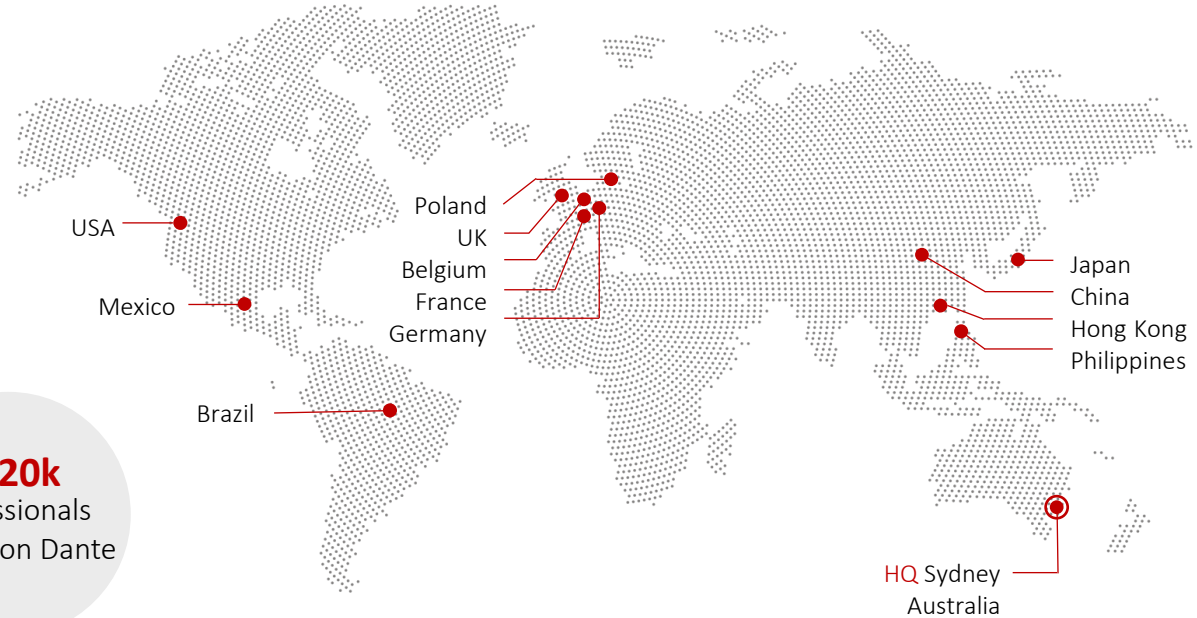
**13**  
Locations

**575**  
Total OEMs  
brands  
licensing  
Dante

**>220k**  
Professionals  
trained on Dante

**197**  
Employees

**8**  
Languages  
supported



# World-leading technology supplier to Pro-AV

**Dante** is in millions of devices and can be found in a diverse range of installations and applications across industries, including:



**Universities**



**Conference Rooms**



**Broadcast Studios**



**Corporate Campuses**



**Houses of Worship**



**Arenas and Stadiums**



**Recording Studios**



**Conference Centres**



**Transportation**



**Amusement Parks**



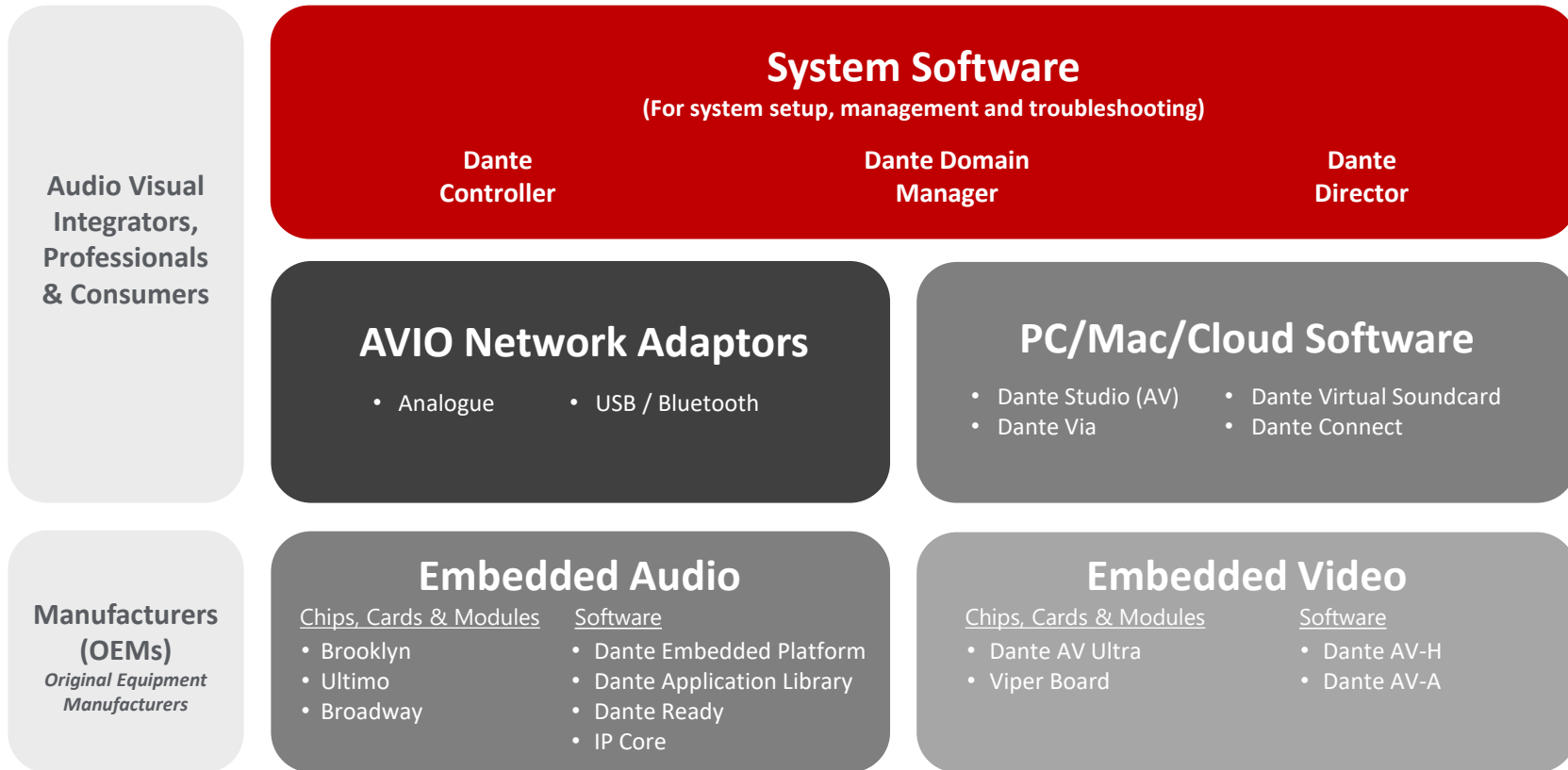
**Zoos**



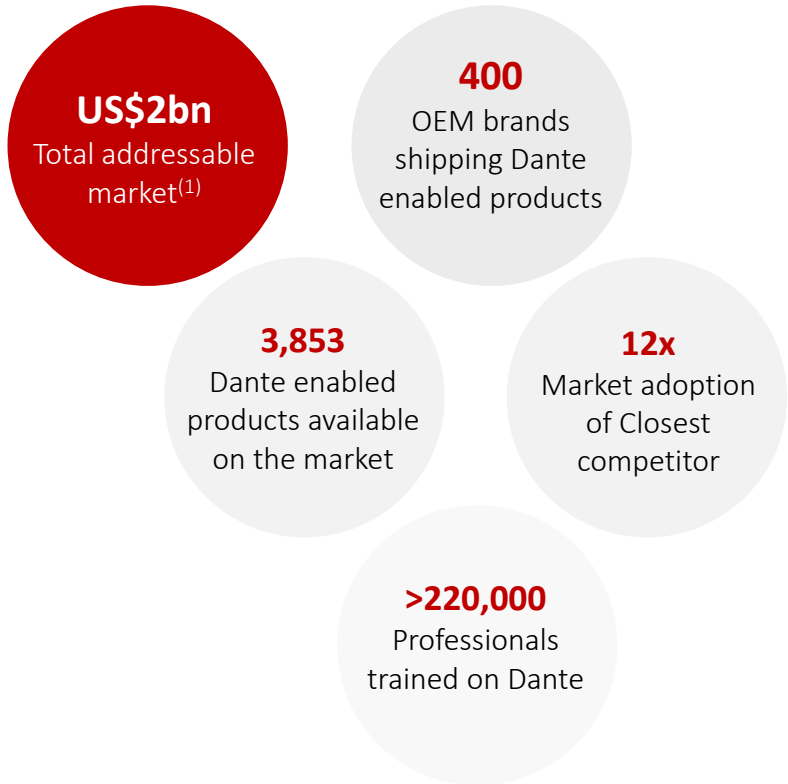
**Theatres**



# Dante Product Map

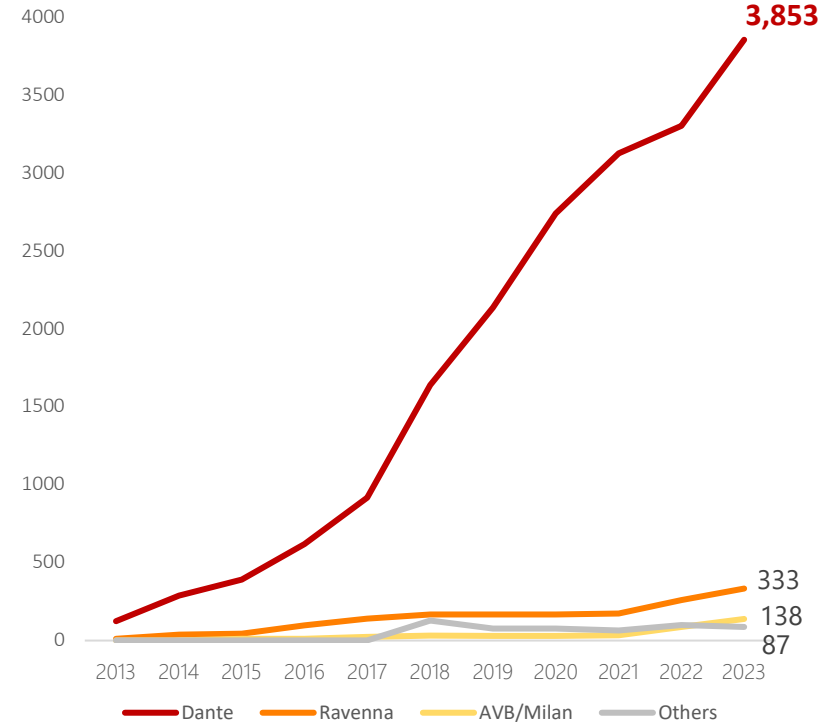


# Leading Global Supplier of AV Networking



1) Omdia research and management estimate

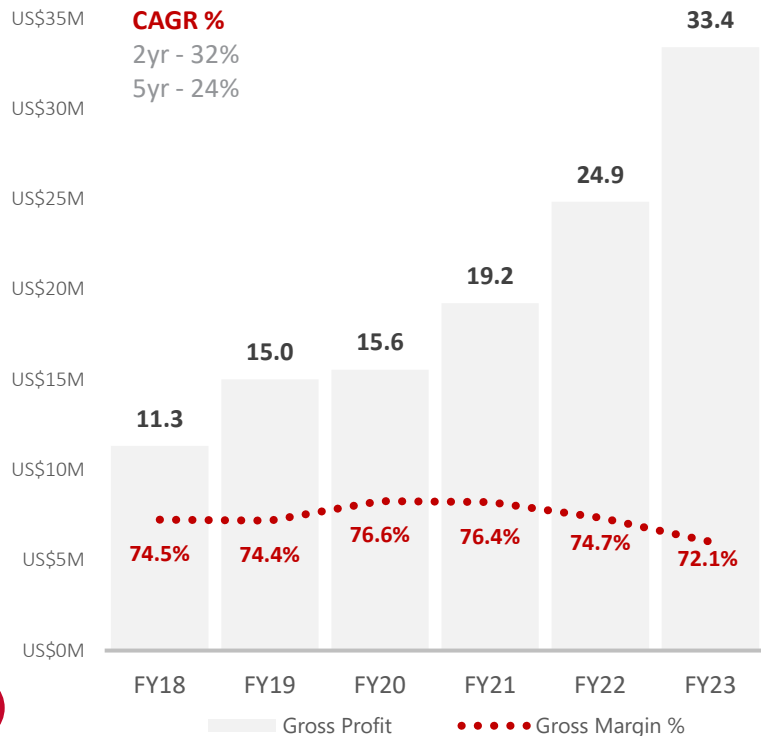
Total audio products per protocol



1) RH Consulting, Networked Audio Products 2023 and Audinate company data

# Gross profit growth accelerates

## US\$M Gross Profit



## Other Key Financial Metrics

**Variance**  
vs FY22

<b>A\$69.7M</b>	Revenue	50.6%	✓
<b>US\$46.7M</b>	US\$ Revenue	40.0%	✓
<b>72.1%</b>	Gross Margin %	(2.7%)	-
<b>A\$11.0M</b>	EBITDA	156.4%	✓
<b>A\$40.0M</b>	Cash & Term Deposits	(\$4.4M)	-
<b>A\$1.4M</b>	Net Profit Before Tax	\$5.8M	✓

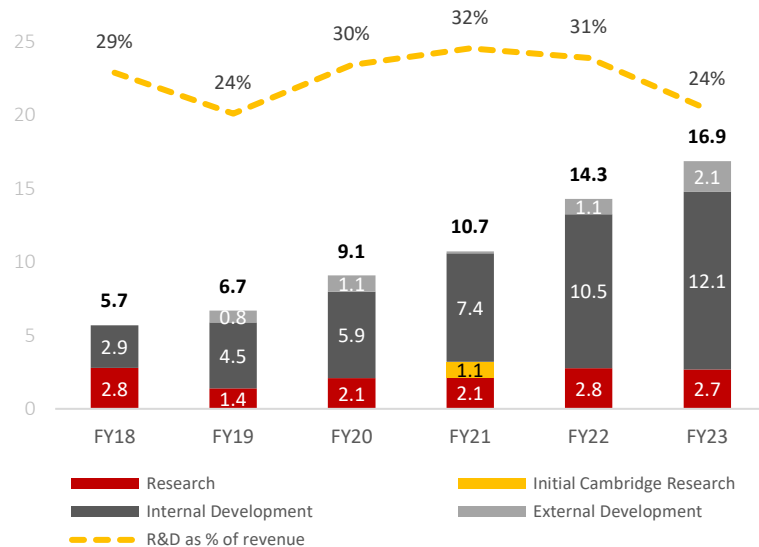


# Profitability evident in scalable cost base

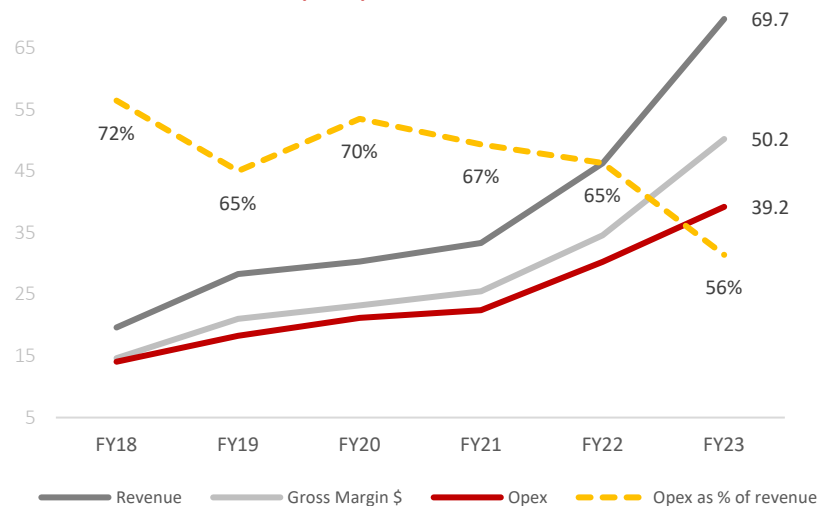
Ongoing focus on innovation and R&D to maximise future growth opportunities

Operating leverage in the cost base is once again evident as **additional gross profit drives profitability**

## Research and Development (A\$M)



## Revenue, cost trends (A\$M)



# Success in Dante Video

During FY23 all video objectives were achieved

- ✓ **Dante AV-H** released (uses H.264 codec)
- ✓ **Dante AV-A** launched and released (uses ASPEED codec)
- ✓ **Dante Studio software** released for AV professionals
- ✓ Video support added to **Dante Domain Manager**
- ✓ **26 design wins** for Dante video products
- ✓ **34 OEM brands** have now licensed Dante video products
- ✓ **48 Dante video products launched** by customers (up from seven at 30 June 2022)
- ✓ **>10,000 video endpoints shipped**
- ✓ **>US\$3m in revenue from video products**

POPTZ OPTICS

BZB2GEAR\*

AVer

BOLIN  
TECHNOLOGY

Telycam

SOUND HOUSE

HOEVT

Marshall

YAMAHA

ADTECHNO\*

GoMax

AVPro

ANTRICA  
VIDEO OVER IP SOLUTIONS

SY

PATTON\*

Aurora

PROITAV

Tenveo

YUAN

WyreStorm.

AMX  
HARMAN

AVONIC

VHD

Chingan

televic

Lumens\*

AJA  
VIDEO SYSTEMS

Minrray

CYP

A large white circle with a thick border is centered on the page. Inside the circle, the text 'Total Addressable Market (TAM)' is written in a bold, white, sans-serif font, stacked in four lines. The background of the slide is a grayscale photograph of a large conference room with a stage, a large projection screen, and an audience seated in rows of chairs.

**Total  
Addressable  
Market  
(TAM)**



# New TAM better reflects Audinate's market opportunity



## What is TAM?

- Quantifies the potential revenue opportunity for a product or service within a specific market (assuming 100% market share)
- TAM calculation is based on the current Dante product set at 2023 prices
- Denominated in US\$ to match revenue billing currency



## Rationale for update

- Elements of existing TAM date back to the IPO
- Historically, data was not available to fully estimate TAM
- An expanded Dante product set has resulted in a larger TAM
- Market has grown with time, impacted by post COVID trends



## Approach

- Omdia were engaged due to their AV expertise. They are also the research house for AVIXA (AV industry body)
- Commissioned research on AV market size, segment addressable by networking and unit numbers by product categories
- Mapped to existing Dante product set & current price list
- Excludes adjacent market opportunities



# Networked AV market opportunity is USD \$2 billion



## Audio

Revenue opportunity for addressable audio products including speakers, microphones, amplifiers, mixing consoles and signal processors



## Video

Revenue opportunity for cameras, displays, projectors, signal routing and switching products



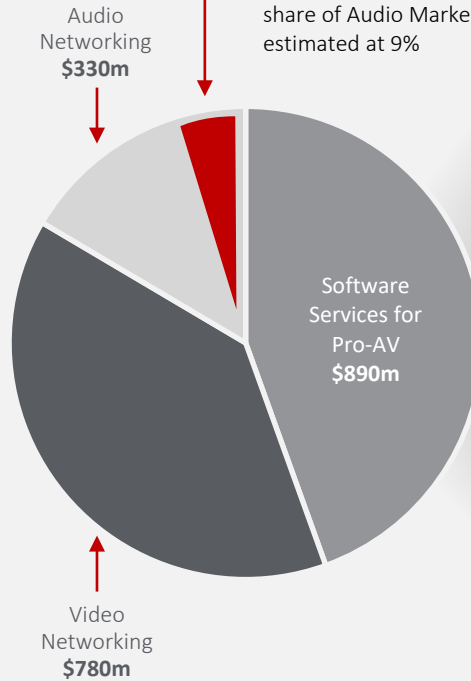
## Software

Revenue opportunity for management control software (Dante Domain Manager) and Dante PC/Mac software for AV professionals

**Audinate Updated TAM\* USD \$2bn\***

**Audinate**

share of Audio Market estimated at 9%



**Additional revenue opportunity to fulfill Dante software vision is *incremental* to the TAM and not depicted in the TAM pie chart**

\* Based on Omdia research and management estimates

# Implications



**Confirmed expectation opportunity greater than previously calculated**



**New data provides additional conviction on existing strategy**



**Forward estimates point to strong industry growth greater than long-term historical average**



**Long runway for growth remains across all segments**

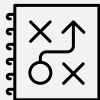


**Valuable data to support intuition on additional software opportunity**



A large white circular frame is centered on the slide. Inside the frame, the words 'Capital Raise' are written in a bold, white, sans-serif font. The background within the circle is a slightly darker, semi-transparent version of the arena scene shown in the main image, focusing on the basketball court and the surrounding seating.

# Capital to accelerate growth strategy



## Continued strategic investment

- Deliver new and innovative products related to Dante audio installations, e.g.
  - IoT-style device management services (like Dante Director)
  - Software based signal processing solutions (like Dante Connect)
- Build the “operating system for AV”



## Win in Video

- Build on early success in Video – replicate Audio success
- Drive execution of strategic Video plan, with benefit of capital to invest
- Accelerate full video product portfolio, e.g.
  - Dante Connect to support video
  - Full range of PC / Mac software apps



## Flexibility to explore pipeline of M&A opportunities

- Bolt-on M&A opportunities have been identified to accelerate video and cloud strategy
- Audinate successfully acquired and integrated the Silex video business in 2022 and has successfully established operations and business units across a range of countries
- Strategy to consider additional video capabilities is important to potentially accelerate the next phase of growth

## Audinate M&A assessment framework



### Technology / IP

- Acquisition of technologies relevant to our strategic roadmap including video compression, software-based signal processing, IoT-style device management, etc.
  - e.g. video compression technology obtained via acquisition of the Silex Insight video business



### Skills and people

- Skills and people to enhance internal capabilities
  - e.g. video software expertise obtained in the Cambridge office via “acquirehire”



### Enhanced capabilities

- Businesses or assets that have complementary products or services in existing or adjacent markets



### Financially attractive

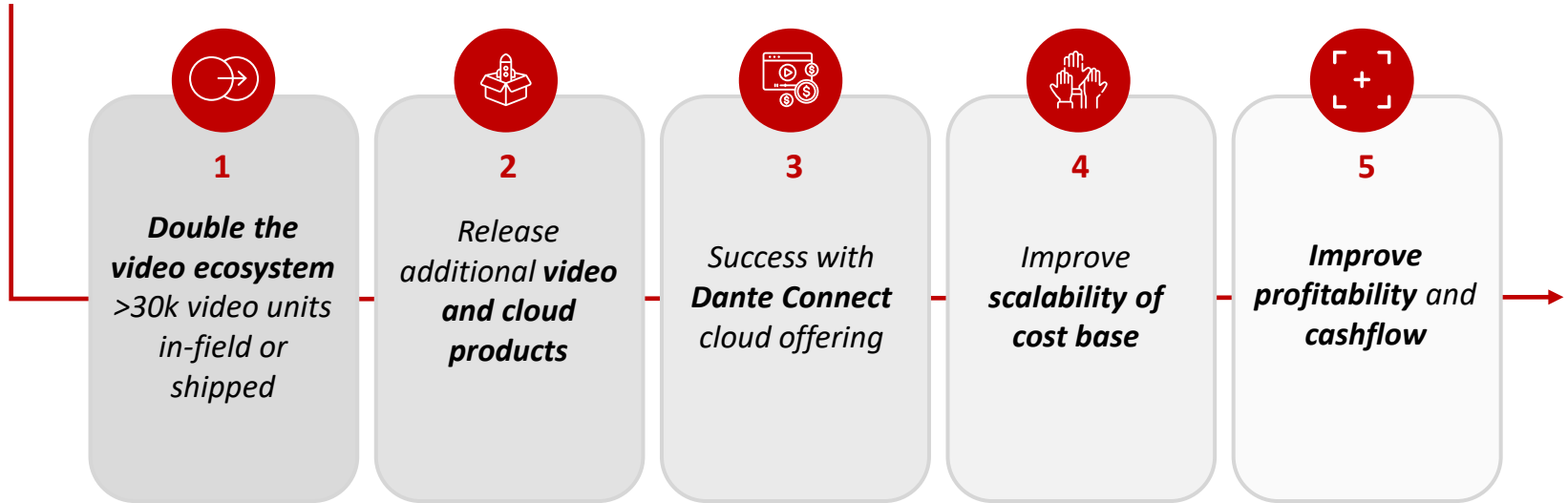
- Audinate has a disciplined approach to valuation and funding to ensure transactions are on financially attractive terms and provide a strategic benefit to Audinate

A wide-angle photograph of a large orchestra performing in a grand concert hall. The stage is filled with musicians and their instruments, including violins, cellos, and a large pipe organ in the background. The audience is seated in the foreground, filling the lower level of the hall. The lighting is warm and focused on the stage.

**OUTLOOK &  
PRIORITIES**

# Continuing growth

## FY24 Priorities



# FY24 Outlook

- **Easing of supply chain challenges** means a return to business as usual
- **Backlog at near-record levels** provides good revenue visibility
- **Global macro-economic uncertainty**
- **M&A opportunities** surfacing to accelerate organic growth plans in video and cloud
- **Additional headcount of 15%** between core and growth opportunities in video, cloud & professional services
- **Improved profitability & cashflow**
- **Transition to software by OEMs** expected to recommence but likely neutral for gross profit
- **Growth in US\$ gross profit dollars consistent with historical performance**

## Global AV Industry Size

2022  
**US\$285**  
BILLION

2023  
**US\$307**  
BILLION

2028  
**US\$402**  
BILLION



**The pro-AV industry is expected to grow**

**8%** in 2023,

to hit a new high-water mark of **US\$307 billion globally.**

**AVIXA estimates the industry will grow nearly**

**41%** over 6 years

to **US\$402 billion** in 2028

Source: AVIXA 2023 Industry Outlook and Trends Analysis



The background of the slide is a wide-angle photograph of a large football stadium filled with spectators. The seats are primarily red, with some blue sections. The pitch is green, and several players are visible on the field. A large white circle is superimposed over the center of the image, containing the text "THANK YOU" in white, uppercase, sans-serif font.

THANK YOU

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