



15 February 2022

# Investor Presentation

Estelle McGechie  
Chief Executive Officer

James Cody  
Chief Financial Officer





1H FY22

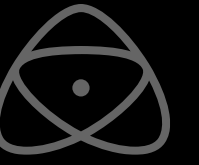
# Summary

Estelle McGechie  
Chief Executive Officer

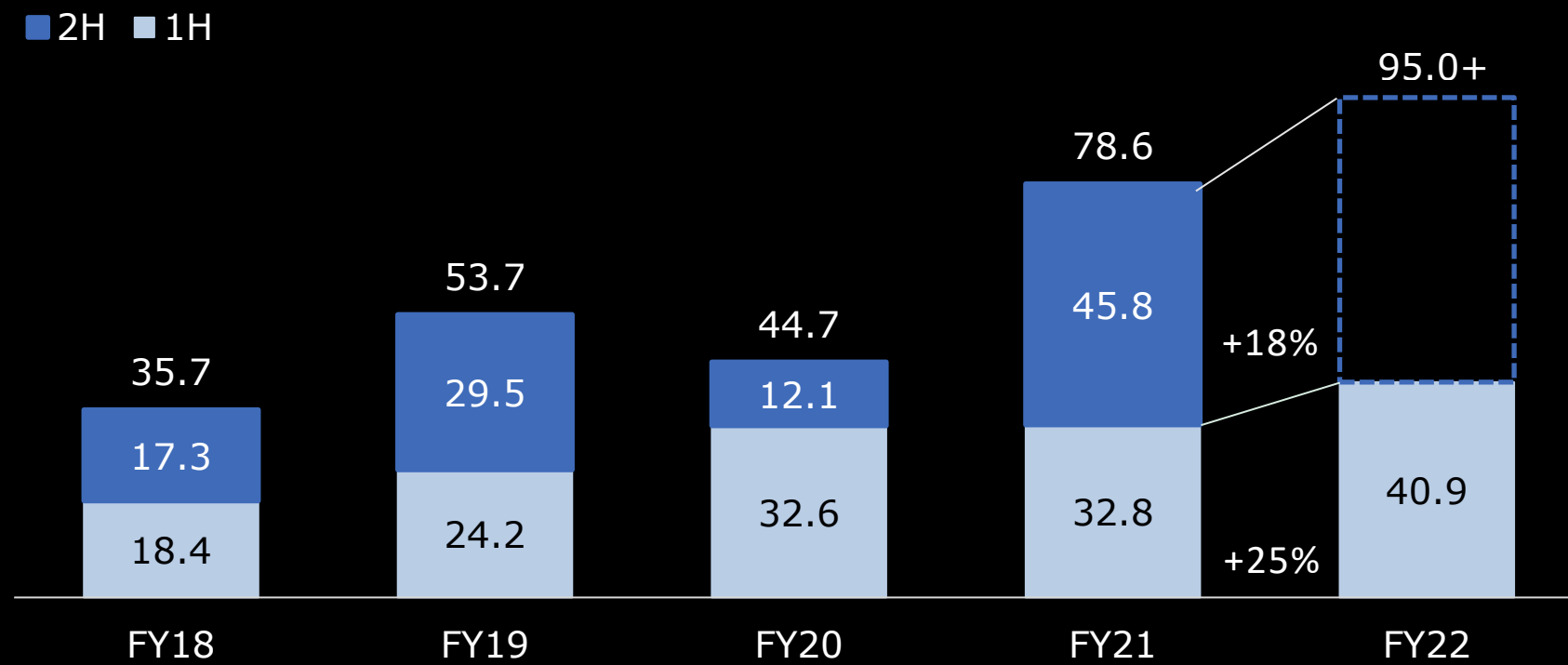


# Atomos Growth

Strong Content Driven Market

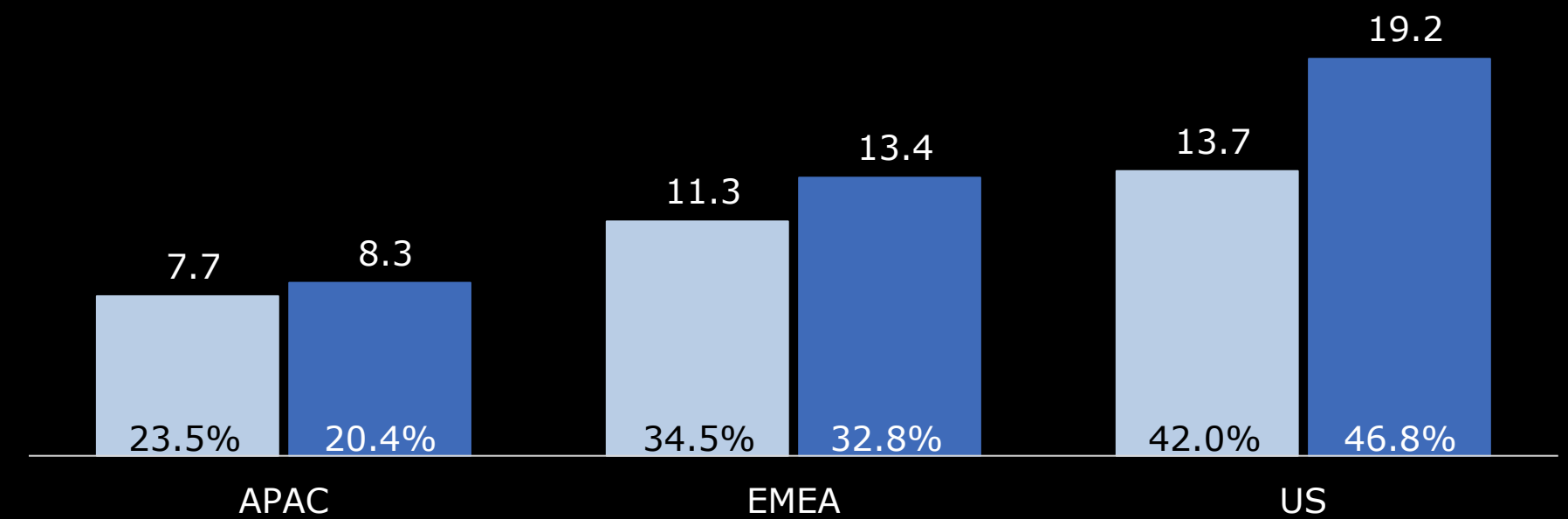


Revenue (\$m)<sup>1</sup>



30% CAGR<sup>2</sup>

Revenue by Region (\$m)



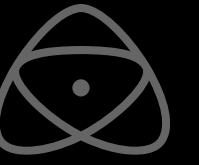
\$40.9m record first half  
25% up on 1H FY21

This, with 77% growth  
in FY21 is in line with  
long-term average of 30%

FY22 guidance of \$95m+  
represents 21% growth

Steady growth in all regions  
US +40% leading with  
a strong content driven market

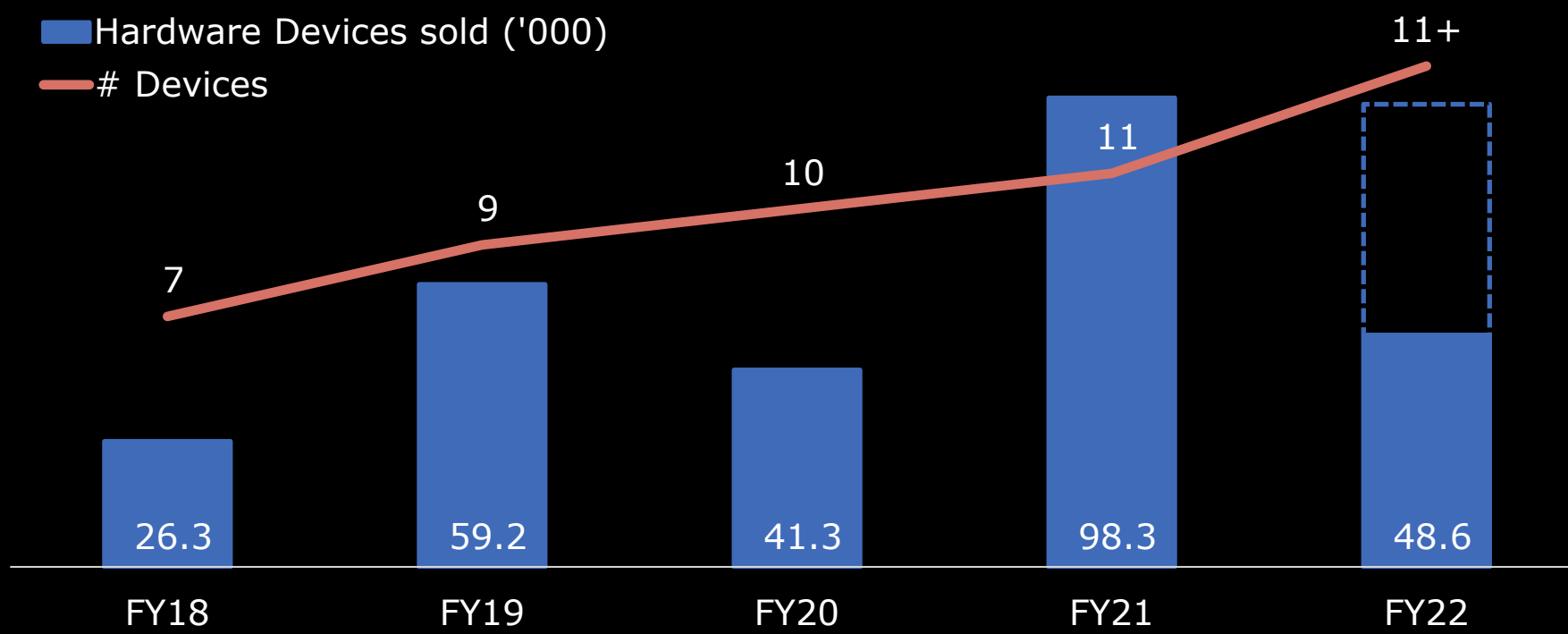
<sup>1</sup> 1H18 Unaudited <sup>2</sup> CAGR is based on FY18 to FY21



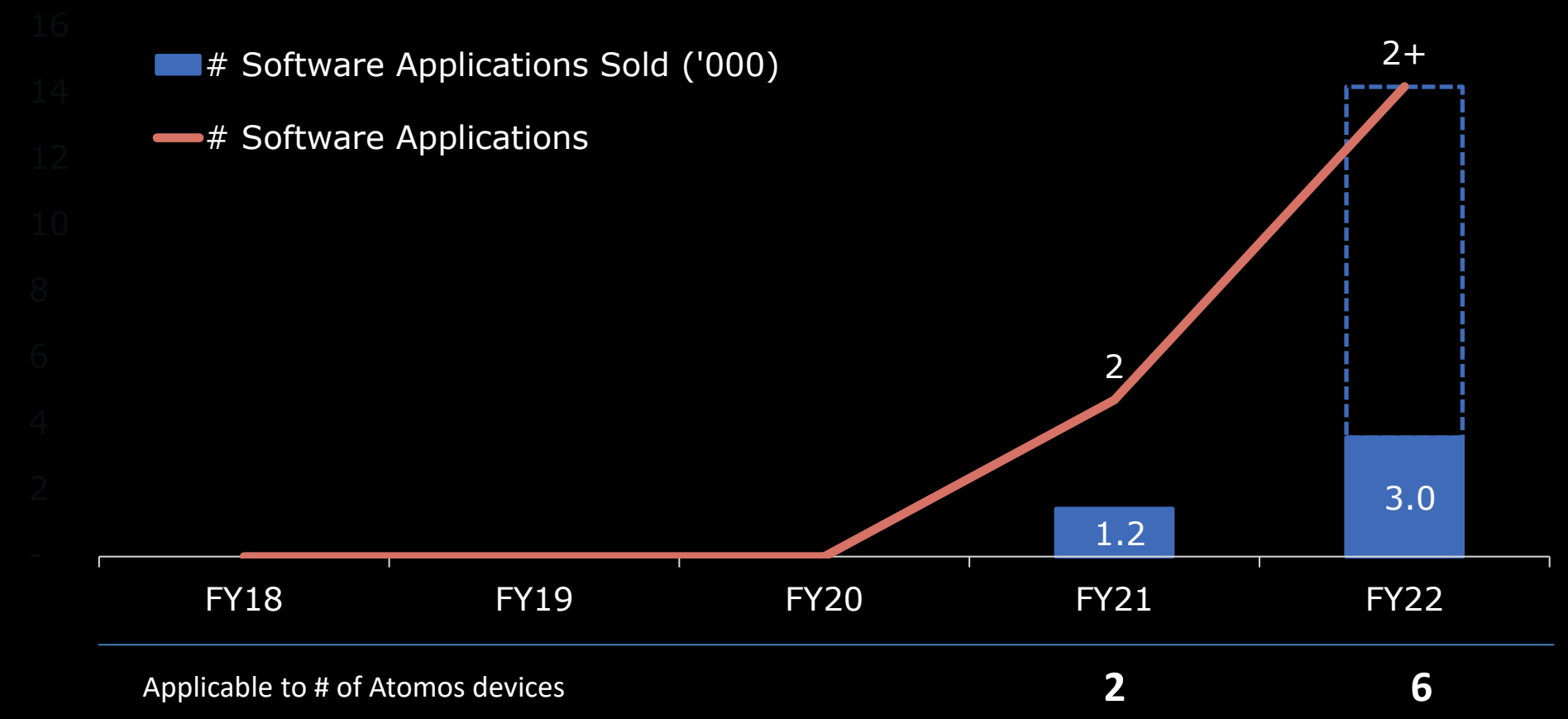
# Growing Product Range

Drives More Sales

Hardware Devices Sold ('000) / # Devices



# Software Applications Sold ('000) / # Software Applications



Growing range of innovative products, well timed to market that have high customer value and drive sales

Shift from hardware exclusive, to hardware and high margin product software sales



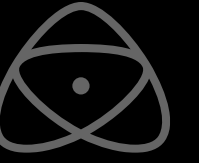
Financial

# Review

James Cody

Chief Financial Officer





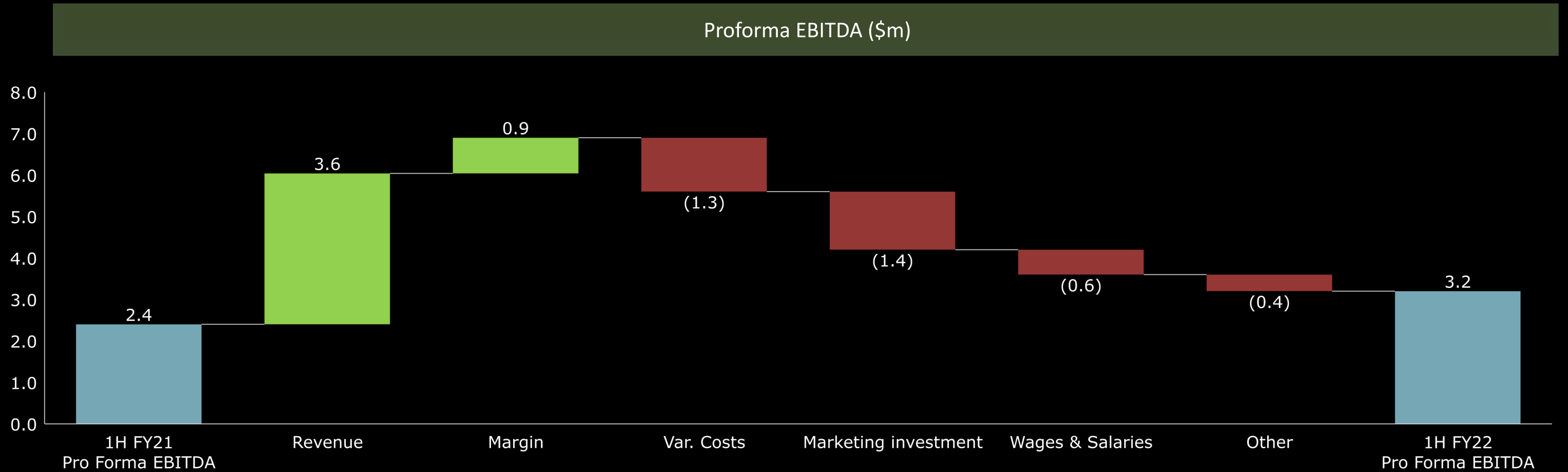
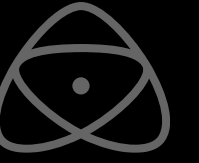
# 1H FY22 Summary

## Key Financial Highlights

|  |   |
|--|---|
| Sales                                      | <ul style="list-style-type: none"><li>• 1H FY22 revenue of \$40.9m, up 25% on pcp<sup>1</sup> (1H FY21: \$32.8m)</li><li>• Growth driven by strong demand for new products</li></ul>                      |
| Margin                                     | <ul style="list-style-type: none"><li>• Gross profit of \$19.3m (47.3%), up 2.4% on pcp<sup>1</sup></li><li>• Higher margin on new products, including 100% margin software applications</li></ul>        |
| Costs                                      | <ul style="list-style-type: none"><li>• Variable opex increased by ~1.7% of sales (\$0.7m), reflecting higher distribution expenses</li><li>• Investment in marketing of \$1.4m to drive growth</li></ul> |
| Proforma EBITDA <sup>2</sup><br>(post R&D) | <ul style="list-style-type: none"><li>• Proforma EBITDA of \$3.2m (1H FY21: \$2.4m)</li><li>• Well on track to hit FY22 EBITDA of 12%-15% with 1H FY21 up 33% on pcp<sup>1</sup></li></ul>                |
| Inventory                                  | <ul style="list-style-type: none"><li>• Progressively built inventory position to insulate against supply chain volatility</li></ul>  |
| Strong Balance Sheet                       | <ul style="list-style-type: none"><li>• \$17m of cash and access to \$5m working capital facility</li></ul>   |

<sup>1</sup> Previous corresponding period <sup>2</sup> 1H FY21 excludes one-off gain resulting from the renegotiation of the Melbourne head office lease (\$0.47m) and income from government subsidies (\$0.6m). 2H FY22 excludes founder transition costs (\$0.7m), costs associated with Cinemacraft (\$0.2m) and income from government subsidies (\$0.1m)

# 1H FY22 Earnings



25% growth in revenue, 2.4% gross margin percentage lift drove \$4.5m of EBITDA improvement

Minor depreciation of the AUD during the period positively impacted revenue by \$0.1m

Variable cost increase above revenue growth due to increased distribution costs

Investment in marketing of \$1.4m to drive growth (new sales channel portal, data measurement, research, platforms)

Additional investment in headcount for scalability (engineering, product, design, sales)

# 1H FY22 Financials

## Pro Forma Income Statement

| Pro Forma (A\$m)                      | 1H FY21       | 1H FY22       | Δ pcp <sup>1</sup> (A\$m) | Δ pcp <sup>1</sup> (%) |
|---------------------------------------|---------------|---------------|---------------------------|------------------------|
| Revenue                               | 32.8          | 40.9          | 8.1                       | 24.7%                  |
| COGS                                  | (18.0)        | (21.6)        | (3.6)                     | 20.0%                  |
| <b>Gross Profit</b>                   | <b>14.8</b>   | <b>19.3</b>   | <b>4.5</b>                | <b>30.4%</b>           |
| <i>Gross Profit Margin</i>            | <i>44.9%</i>  | <i>47.3%</i>  | <i>n/a</i>                | <i>2.4%</i>            |
| Variable Operating Expense            | (2.4)         | (3.7)         | (1.3)                     | 54.2%                  |
| Wages & Salaries                      | (5.2)         | (5.4)         | (0.2)                     | 3.8%                   |
| Marketing                             | (0.9)         | (2.3)         | (1.4)                     | 155.6%                 |
| General & Administration              | (1.8)         | (2.1)         | (0.3)                     | 16.7%                  |
| Other                                 | 0.0           | (0.1)         | (0.1)                     | NM                     |
| <b>Operating Expenses</b>             | <b>(10.3)</b> | <b>(13.6)</b> | <b>(3.3)</b>              | <b>32.0%</b>           |
| <b>Pro Forma EBITDA (pre R&amp;D)</b> | <b>4.5</b>    | <b>5.7</b>    | <b>1.2</b>                | <b>26.7%</b>           |
| R&D Expenses                          | (2.1)         | (2.5)         | (0.4)                     | 19.0%                  |
| <b>Pro Forma EBITDA</b>               | <b>2.4</b>    | <b>3.2</b>    | <b>0.8</b>                | <b>33.3%</b>           |
| Pro Forma Adjustments                 | 1.1           | (0.8)         | (1.9)                     | NM                     |
| <b>Reported EBITDA</b>                | <b>3.5</b>    | <b>2.4</b>    | <b>(1.1)</b>              | <b>(31.4%)</b>         |
| Depreciation & Amortisation           | (1.5)         | (1.8)         | (0.3)                     | 20.0%                  |
| <b>EBIT</b>                           | <b>2.0</b>    | <b>0.6</b>    | <b>(1.4)</b>              | <b>(70.0%)</b>         |
| Tax and Interest                      | (0.3)         | (0.3)         | 0.0                       | 0.0%                   |
| <b>NPAT</b>                           | <b>1.7</b>    | <b>0.3</b>    | <b>(1.4)</b>              | <b>(82.4%)</b>         |

<sup>1</sup> Previous corresponding period



## Pro Forma Adjustments

### 1H FY21 excludes

- one-off gain resulting from the renegotiation of the Melbourne head office lease (+\$0.5m)
- income from government subsidies (+\$0.6m)

### 2H FY22 excludes

- founder transition costs (-\$0.7m)
- costs associated with Cinemacraft (-\$0.2m)
- income from government subsidies (+\$0.1m)



# 1H FY22 Financials

## Pro Forma Balance Sheet

| Pro Forma (A\$m)            | 30 Jun'21     | 31 Dec'21     |
|-----------------------------|---------------|---------------|
| Cash and cash equivalent    | 26.0          | 16.8          |
| Trade and other receivables | 12.8          | 15.0          |
| Inventories                 | 16.6          | 24.0          |
| Other assets                | 5.2           | 7.3           |
| Plant and equipment         | 2.4           | 2.6           |
| Right of use asset          | 3.0           | 6.7           |
| Intangible assets           | 25.2          | 26.6          |
| <b>Total assets</b>         | <b>91.2</b>   | <b>99.0</b>   |
| Trade and other payables    | (21.9)        | (24.3)        |
| Borrowings                  | (0.0)         | 0.0           |
| Provisions                  | (1.4)         | (2.4)         |
| Lease liabilities           | (3.2)         | (6.9)         |
| Deferred tax liability      | (1.0)         | (0.8)         |
| <b>Total liabilities</b>    | <b>(27.5)</b> | <b>(34.4)</b> |
| <b>Net assets</b>           | <b>63.7</b>   | <b>64.6</b>   |
| Issued capital              | 101.7         | 102.5         |
| Reserves                    | 3.1           | 2.9           |
| Accumulated losses          | (41.1)        | (40.8)        |
| <b>Equity</b>               | <b>63.7</b>   | <b>64.6</b>   |



## Key Insights

- Strong balance sheet with \$17m of cash at 31 December 2021
- Investment in inventory to insulate against supply chain interruptions
- Receivables increase reflecting growing sales
- Increase in right of use asset and lease liabilities reflecting new head office lease
- \$39m of tax losses and R&D tax credits unrecognized and available to offset future tax payable

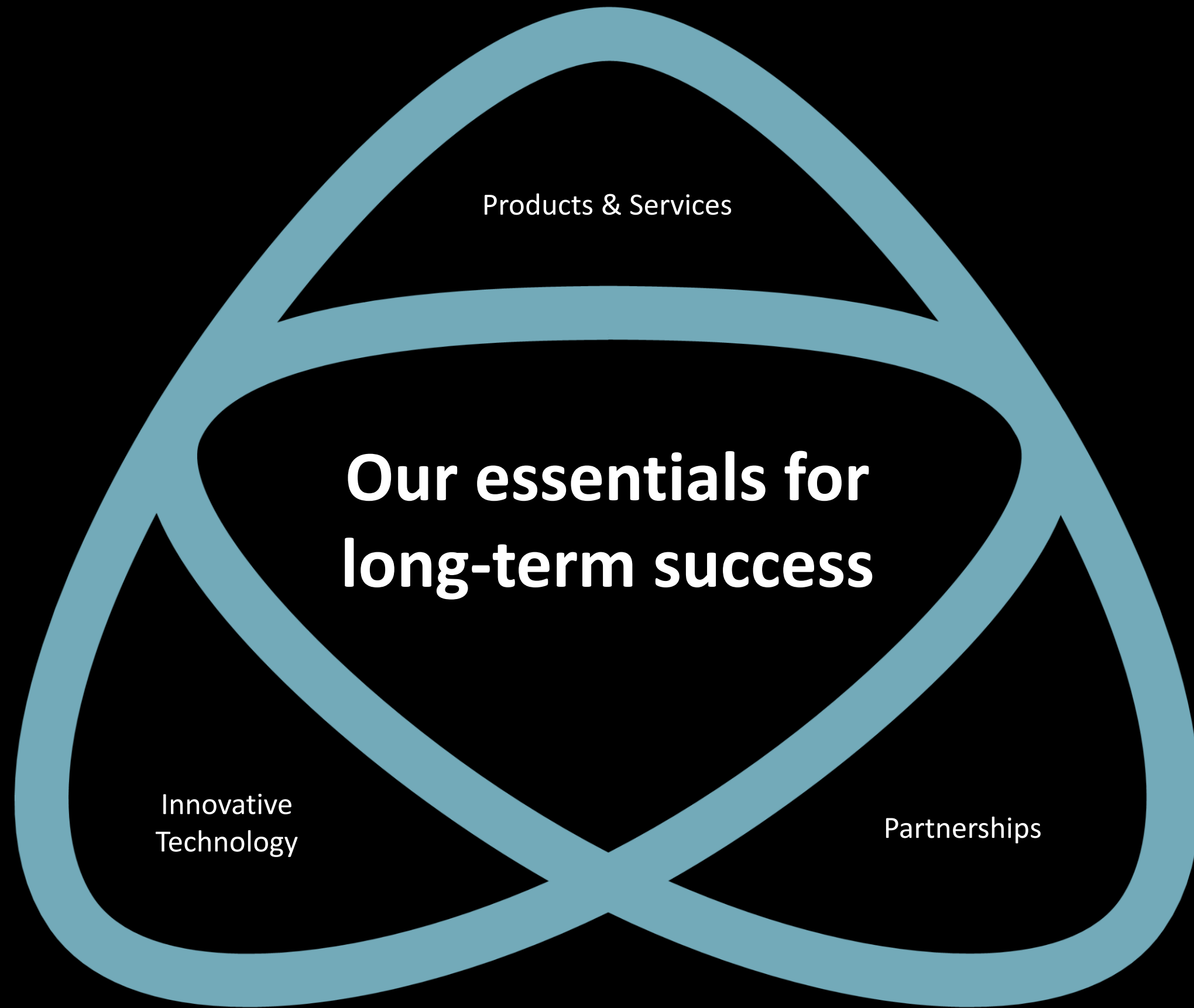


Group Strategy &

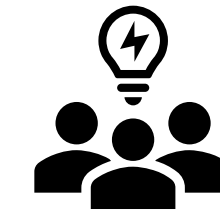
# Outlook

Estelle McGechie  
Chief Executive Officer



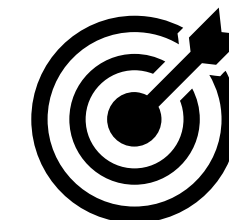


## Our Strategic Pillars



### The Vision

To democratise content creation and delivery.

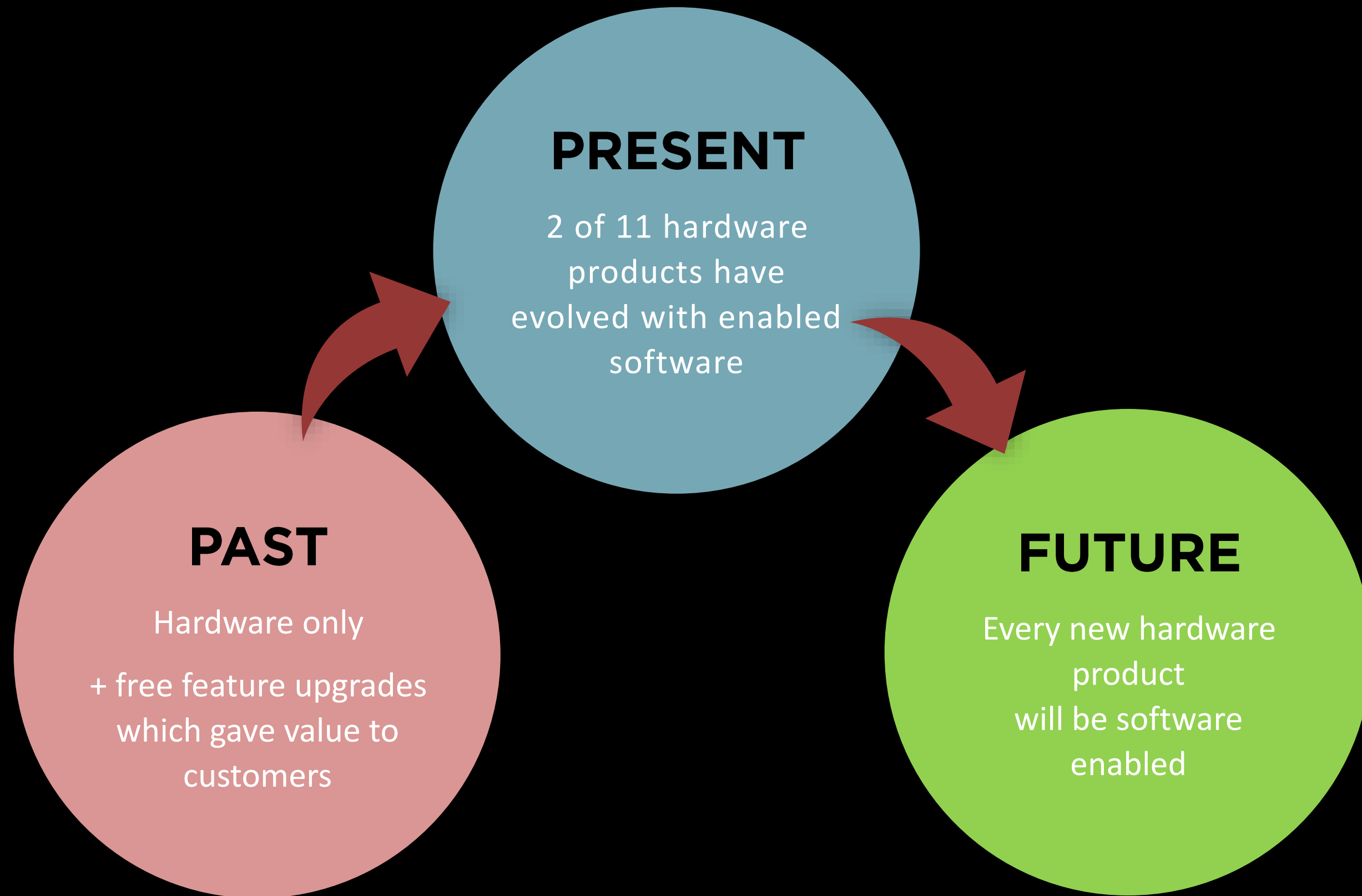


### The Mission

To combine our own deep video tech with that of other great video tech companies, to build products, services and an ecosystem that democratises content creation for everyone.

# Building an Ecosystem

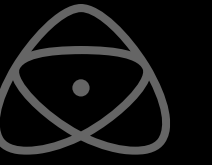
That Benefits Future Product



## People Fall in Love

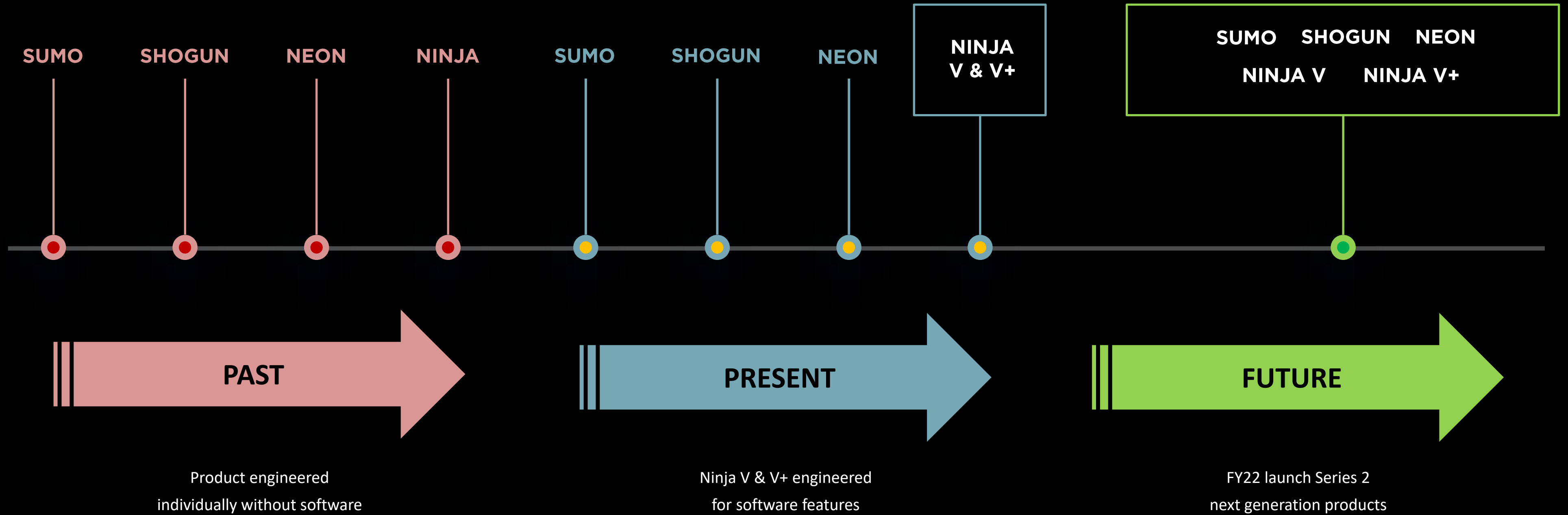
with products

- ♥ Hardware only with limited free feature upgrades  
That is our PAST
- ♥ Evolved 2 hardware products with software features  
That is our PRESENT
- ♥ Hardware & software on a unified platform  
That is our FUTURE
- ♥ Hardware & software full workflow ecosystem  
That is our PAST + PRESENT + FUTURE

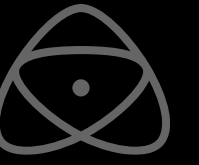


# Our Hardware Evolution

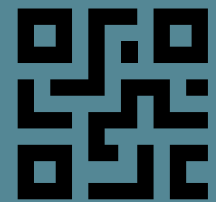
The Future is Series 2



# Potential M&A



We will pursue appropriate acquisitions which support our strategy



## Technology & Standards

We will buy companies with technology and standards which help us sell more products

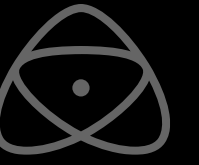
Smart, well-structured acquisitions which are not dilutive



## New Complimentary Markets

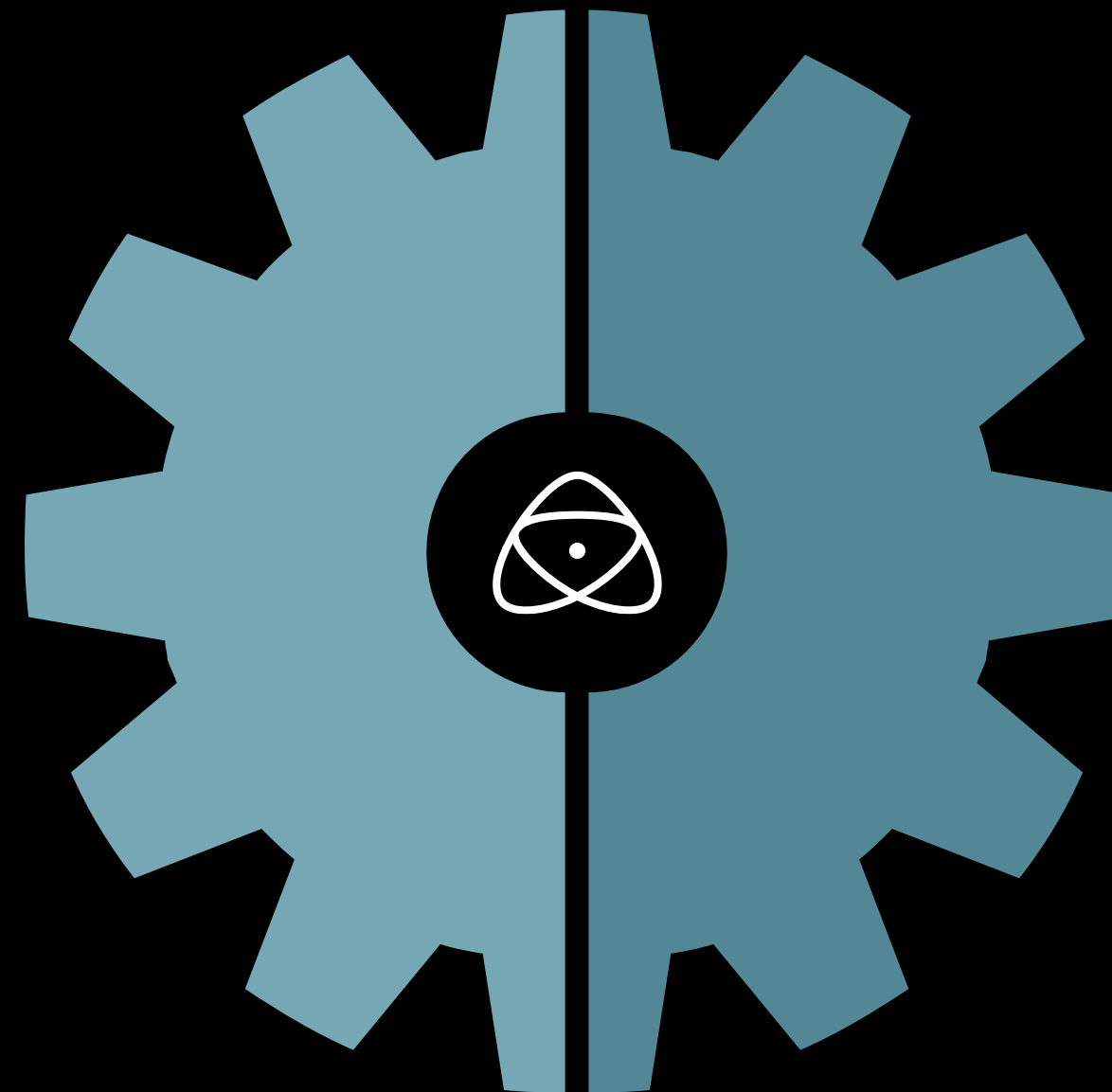
We will opportunistically look at business that provide access to new markets and enhance earnings

# Key Takeaways



## New Products Drive Growth

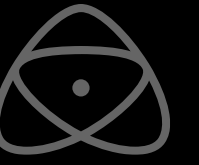
- Key products have always driven sales
- Progressively moving into software products which drive margin expansion
- Opening up new markets (Americas, Gaming)
- Well placed to continue to see growth in line with the long-term CAGR of 30%



## Guidance Reaffirmed

- Revenue expected to be \$95m+ for FY22 up 21% on FY21 which grew by 77%
- Implies 2H FY22 growth of 18%+ vs 1H FY22 (25%)
- EBITDA expected to be 12%-15%

# Corporate Snapshot



| Pricing Snapshot                 |              |
|----------------------------------|--------------|
| Ticker                           | AMS          |
| Share Price                      | \$0.895      |
| Shares on Issue (m)              | 222.4        |
| <b>Market Capitalisation (m)</b> | <b>199.0</b> |

| Board of Directors  |                        |
|---------------------|------------------------|
| Chris Tait          | Non-Executive Chairman |
| Stephen Stanley     | Deputy Chairman        |
| Megan Brownlow      | Non-Executive Director |
| Lauren Williams     | Non-Executive Director |
| Sir Hossein Yassaie | Non-Executive Director |

| Senior Management Team |                          |
|------------------------|--------------------------|
| Estelle McGechie       | Chief Executive Officer  |
| James Cody             | Chief Financial Officer  |
| Trevor Elbourne        | Chief Technology Officer |
| Mark Harland           | Chief Operating Officer  |
| Stephan Kexel          | Chief Sales Officer      |

| Major Shareholders         |             |
|----------------------------|-------------|
| Regal Funds Mgmt           | 8.5%        |
| Ellerston Capital Ltd      | 7.3%        |
| Wilson Asset Mgmt          | 6.2%        |
| <b>Top 10 shareholders</b> | <b>~43%</b> |

## Share Price History







# Q&A

Thank you for attending

