



**ATOMOS**

November 2022

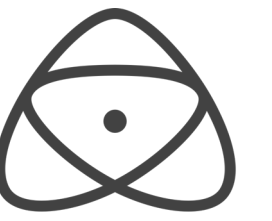
# Atomos AGM: Company Update

Trevor Elbourne  
Chief Executive Officer

James Cody  
Chief Financial Officer

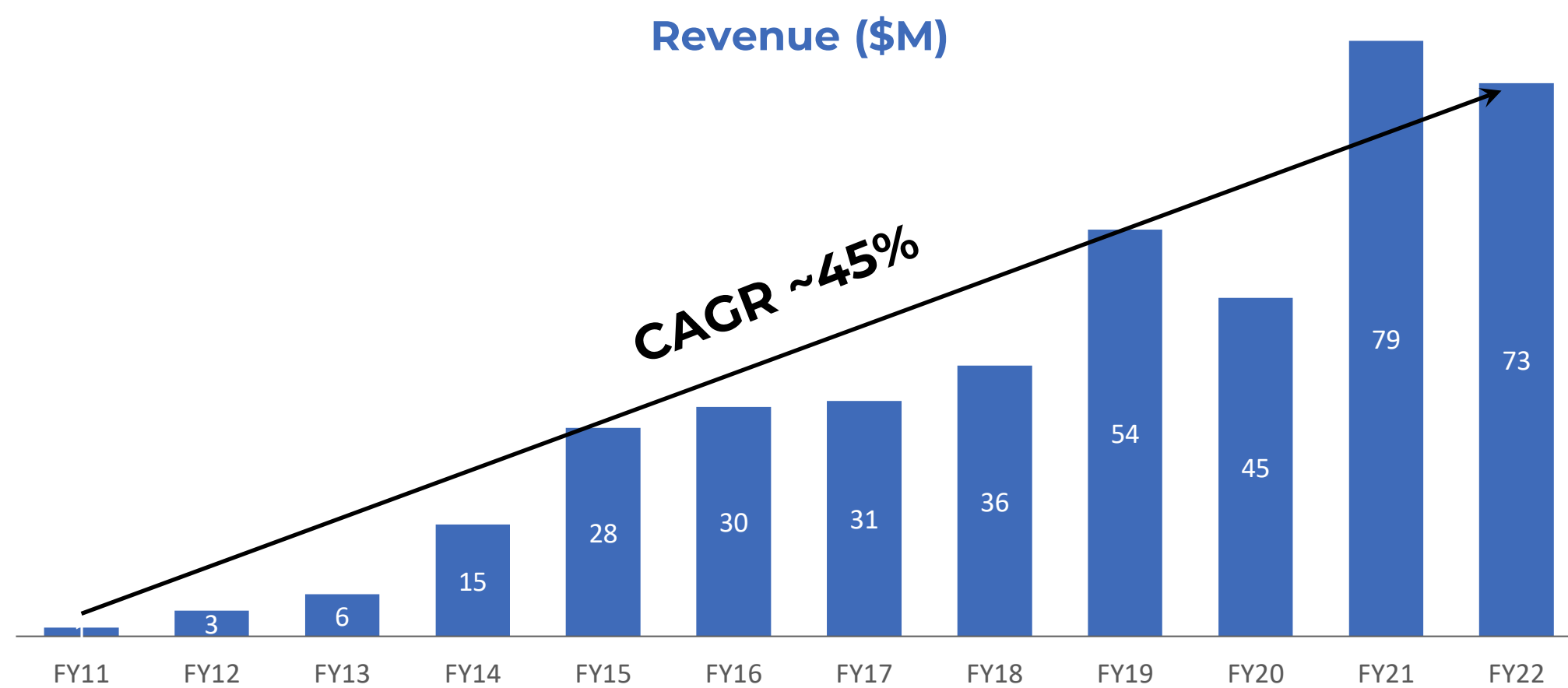


# ATOMOS: a global leader in video tech

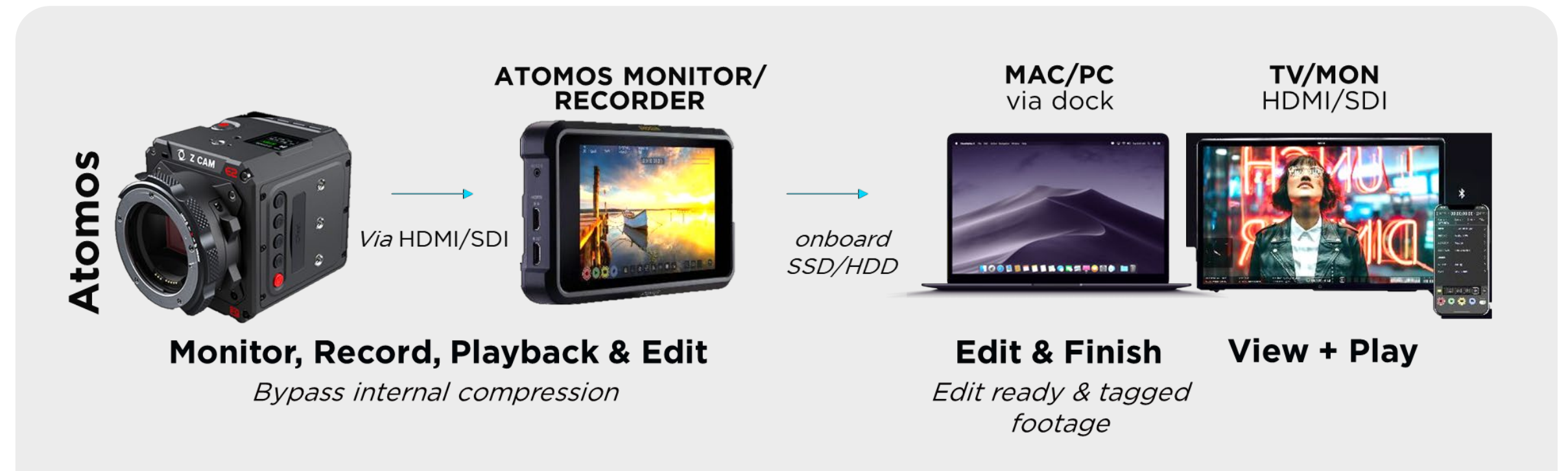


## SOLVING CUSTOMER PROBLEMS FOR OVER 12 YEARS

- Founded in 2010 with vision to democratise high quality video content creation
- Unique ability to partner with dominant industry players across major camera and video fields
- Large customer base >450,000 products shipped
- Consistent revenue growth – 45% CAGR since inception
- Internal ethos based around ‘product-first’ approach; solving end-customer problems

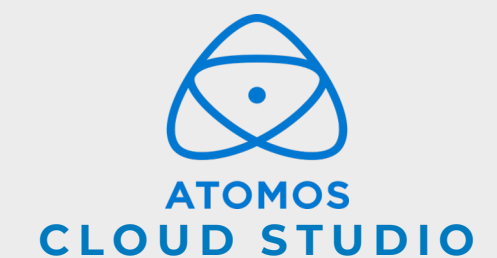


## GLOBAL LEADER IN PROVIDING MUST-HAVE TOOLS FOR CONTENT CREATORS. STARTED BY INVENTING THE MONITOR-RECORDER

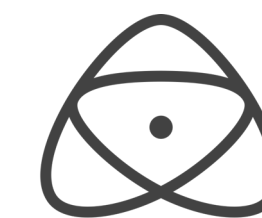


**Ninja Shinobi Shogun SUMO**

**Connect: Shogun Zato Ninja**



# FY22 in Review

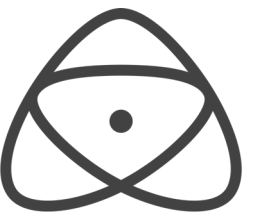


## SECOND HALF CHALLENGES WEIGHED ON FULL YEAR RESULT

A\$m	FY22	FY21	
Revenue	73.3	78.6	<ul style="list-style-type: none"><li>• Change from product-focused marketing led to sharp drop in 3<sup>rd</sup> quarter sales</li></ul>
Gross Profit Margin	39%	48%	<ul style="list-style-type: none"><li>• Actions taken at end of year to convert inventory to cash impacted margin</li></ul>
Reported EBITDA	(5.1)	8.2	<ul style="list-style-type: none"><li>• Earnings were further impacted by growth in cost base (since reversed)</li></ul>
Non-recurring items	5.7	(0.5)	<ul style="list-style-type: none"><li>• Reported EBITDA included significant non-recurring items</li></ul>
Underlying EBITDA	0.6	7.7	
Inventory	28.8	16.6	<ul style="list-style-type: none"><li>• Growth in inventory beyond requirements</li></ul>



# FY22 in Review



## LAUNCHED NEW PRODUCTS & SERVICES DESPITE DIFFICULT YEAR



### Challenges

- Misalignment between sales and marketing led to:
  - A sharp fall in 3<sup>rd</sup> quarter sales
  - A build up of inventory beyond requirements as a result
- Growth in cost base also adversely affected performance
- Change in CEO & subsequent legal claim
- End of year sales initiatives to convert built-up inventory into cash impacted margin
- Balance sheet impacted but new Series 2 & cloud products provide good foundations for future growth



### Solid Base now in place

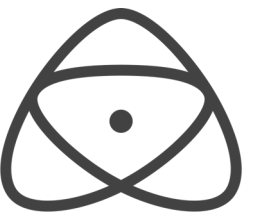
- Cost base corrections to right size business moving forward
- Experienced leadership team now in place with the business part way through a reorganisation
- Marketing now reporting to Chief Sales Officer for better sales and marketing alignment
- Experienced Global Marketing Director appointed



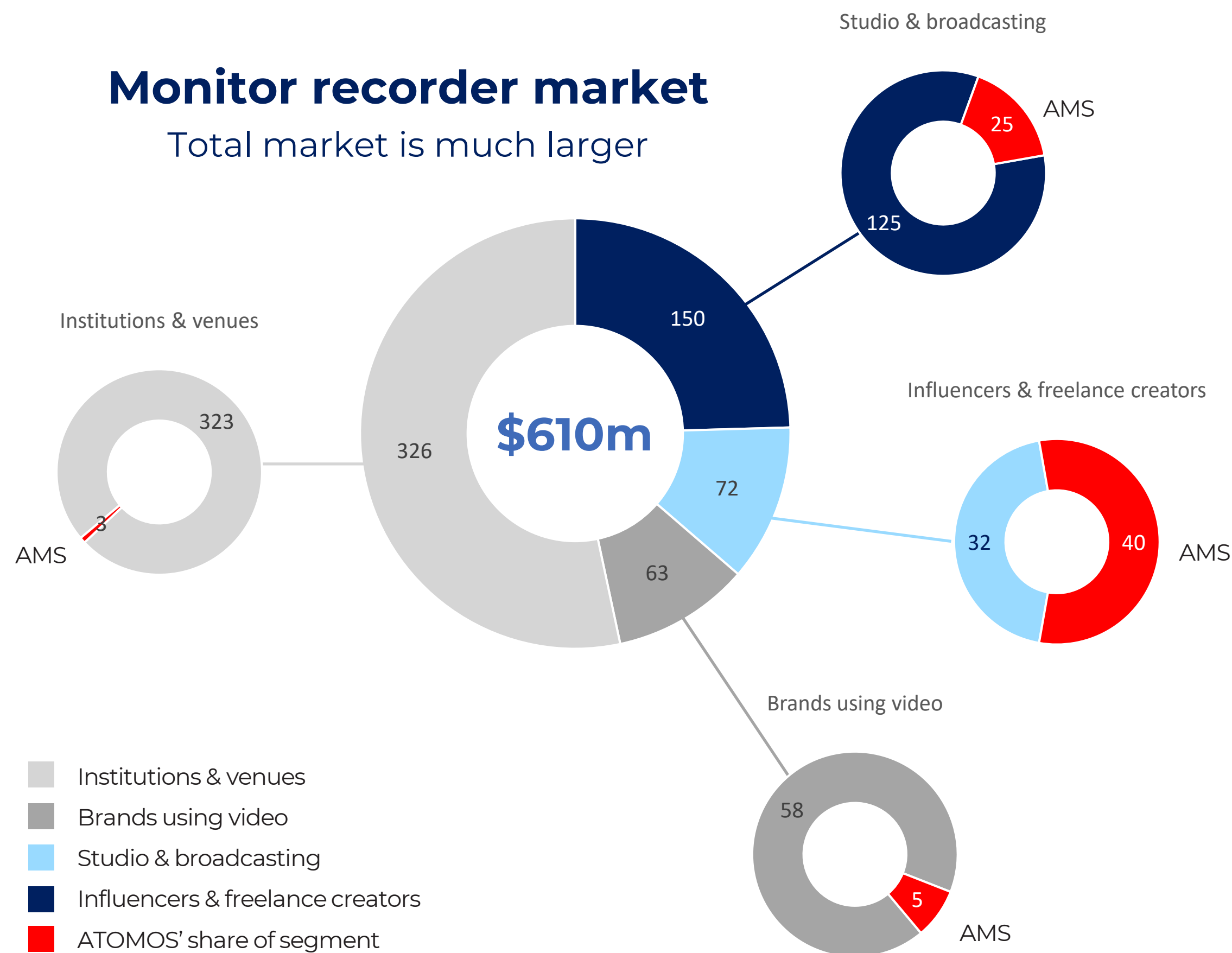
### Exceptional New Product Portfolio

- Successfully launched new Series 2 'connected' products in 4Q22
- Successful BETA launch of Atomos Cloud
- Launch of remaining Series 2 products to further consolidate new connected workflow & cloud strategy

# Huge Opportunities for growth



## IDENTIFYING OUR CUSTOMERS



### SIGNIFICANT GROWTH OPPORTUNITY

Atomos is entering new markets for streaming, remote collaboration and cloud-based production which will **significantly increase** its TAM beyond monitor recorders

#### MONITOR RECORDER TAM

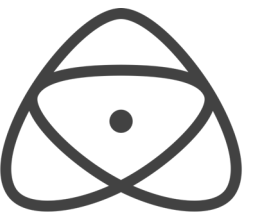
Atomos has ~12% of the market

Very low share of the largest segment, **Institutions & venues**

Overall market is forecast to grow at 12% CAGR 21-31  
**baseline growth for AMS**

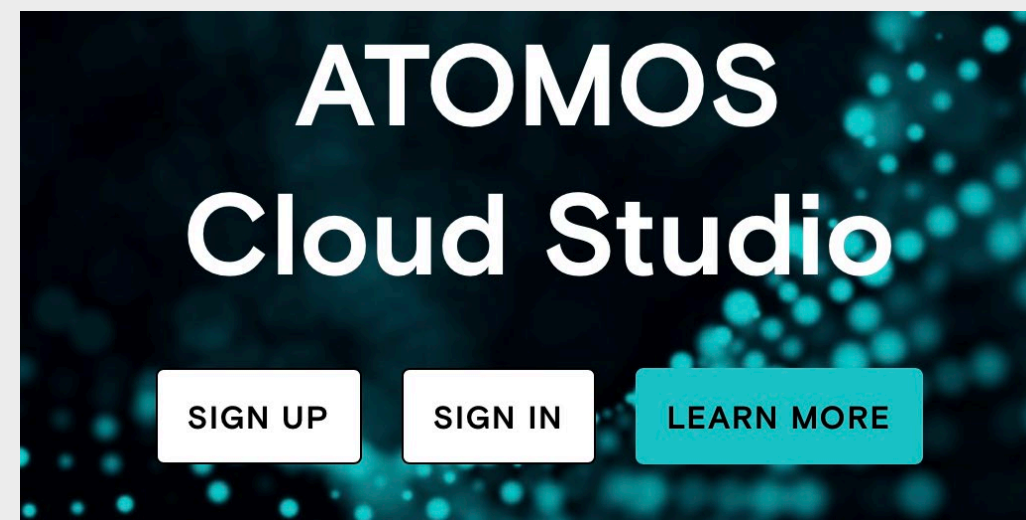
Greater penetration in all segments will deliver **above market** growth

# Looking Forward – Products and Services



NEW PRODUCTS CLOUD SERVICES AND ECOMMERCE TO DRIVE FUTURE GROWTH

## Atomos Cloud Services



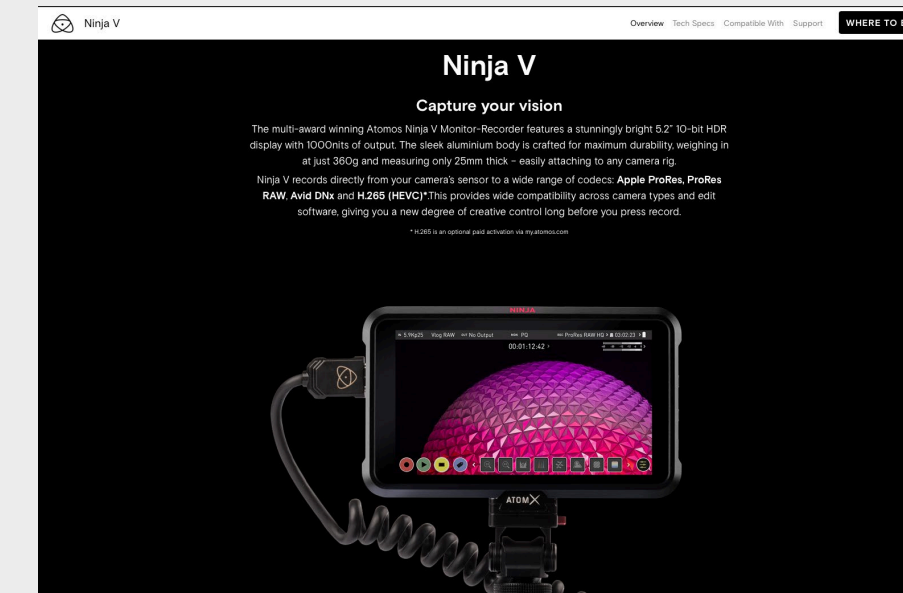
A collection of easy-to-use cloud-based collaboration tools accessible directly from Series 2 products

## Series 2 Products



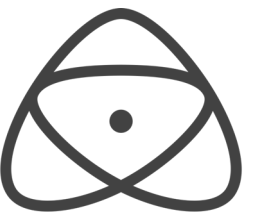
Cloud connected versions of Atomos' market-leading monitor recorders

## eCommerce

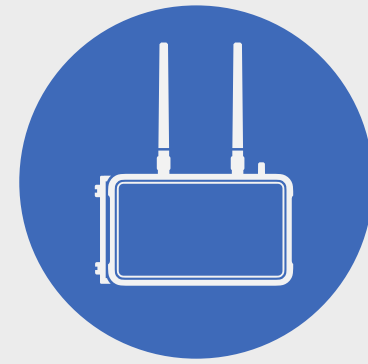


Atomos devices bundled with cloud-services subscription available for direct purchase with innovative flexible payment options

# New Era for Atomos Products



POWERING NEW GENERATION OF VIDEO COLLABORATION



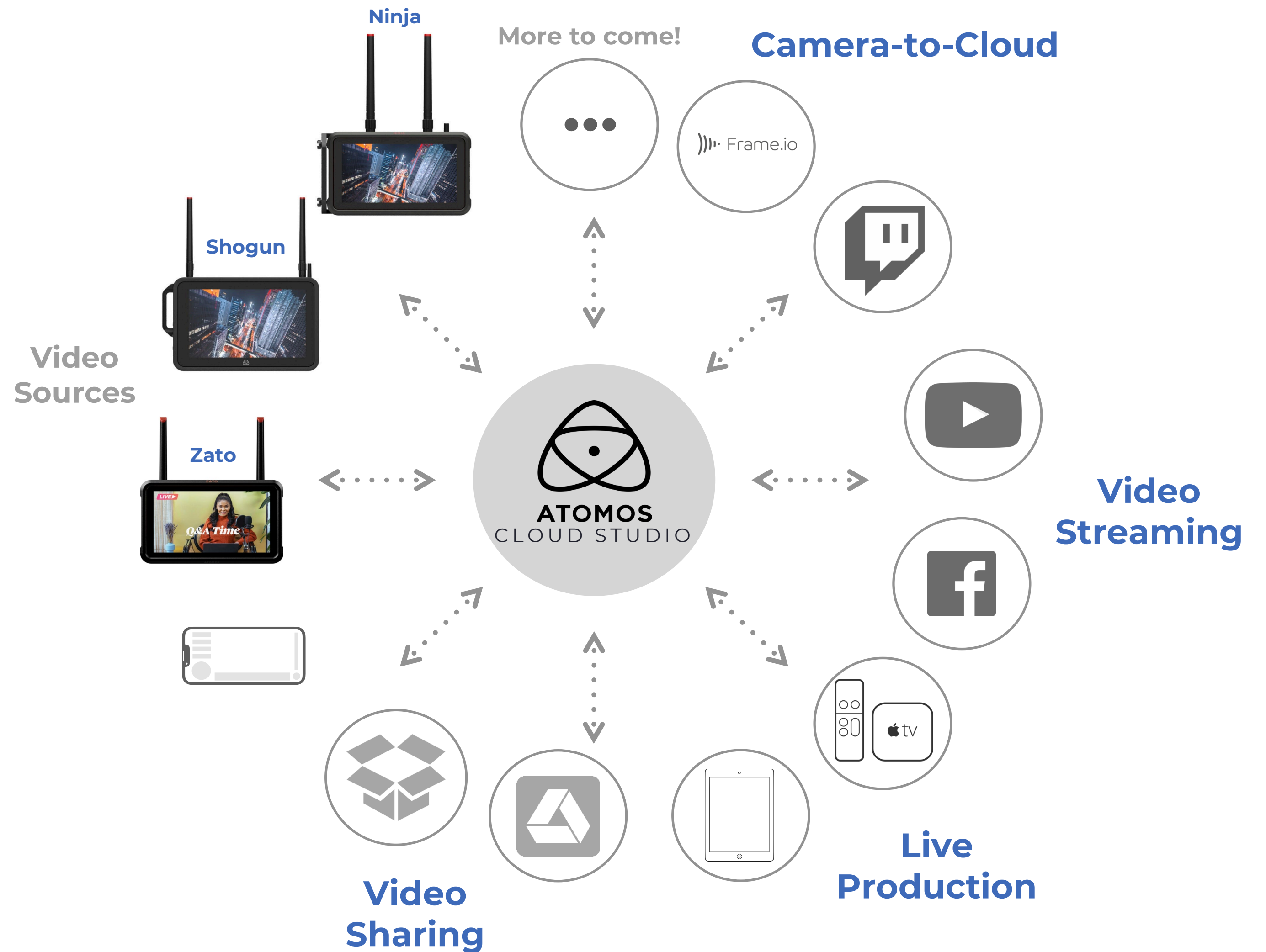
Atomos Cloud Studio



Series 2 Devices

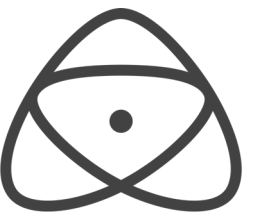
Powering the ability to collaborate in real-time with **anyone, anywhere, anytime** will revolutionalise content creation

The ability for creators to get their content to their audience in almost real-time will be game changing





# New Era for Atomos Products



PARTNERS LIKE **ADOBE** HELPING DRIVE DEMAND FOR ATOMOS PRODUCTS AND SERVICES

**Atomos Cloud Studio**

**+**  
 **Frame.io**

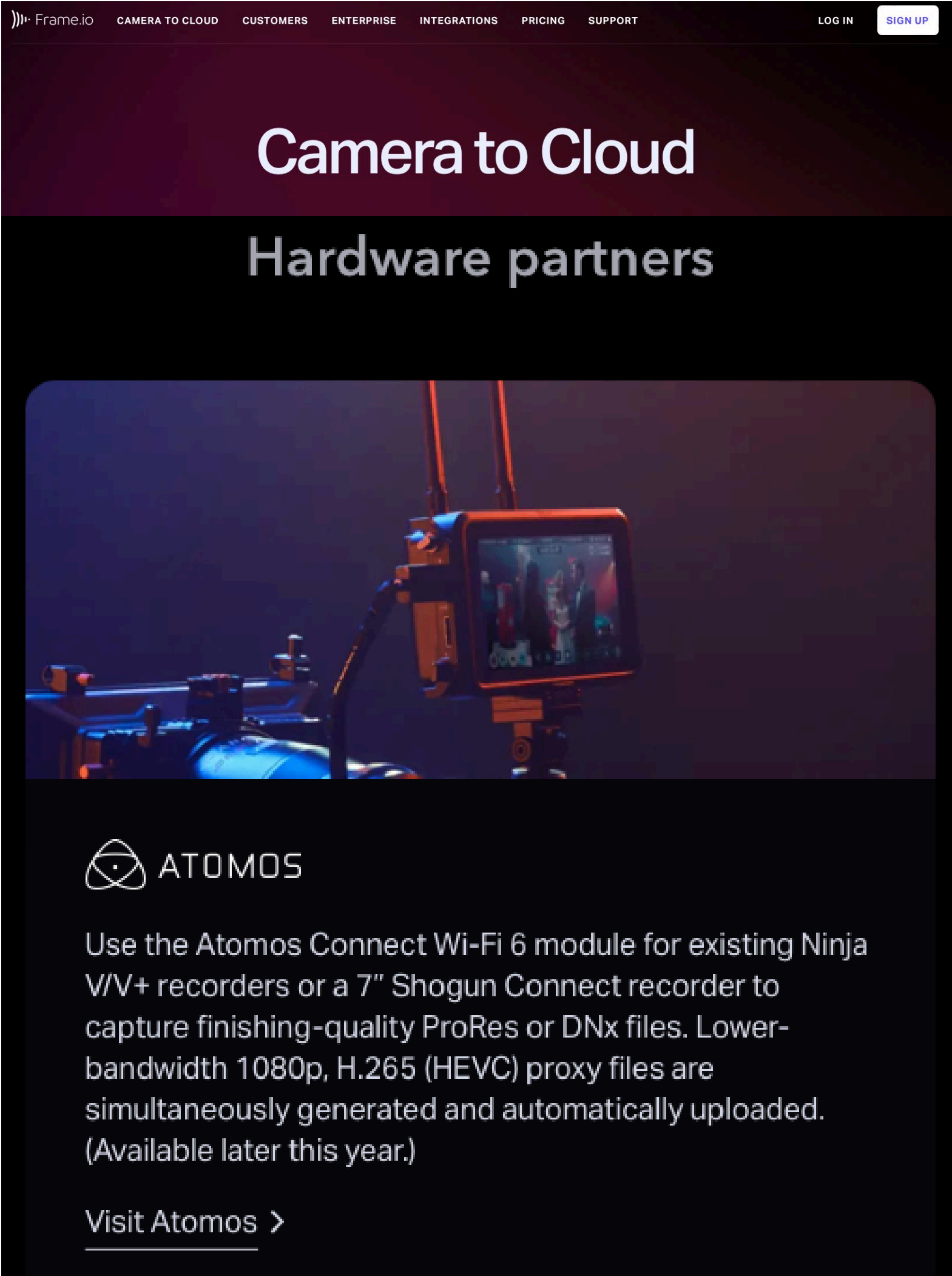
**20+ million** Adobe Create Cloud subscribers now have a reason to consider an Atomos product

**Hundreds** of new cameras now part of the Frame.IO ecosystem via an **Atomos** product

**Large increase** (+50%) in daily number of video files uploaded to Frame.IO reported immediately after system went live & sustained

**50 units** of Series 2 products now in use by Frame.IO sales teams for customer trials


**Sundance File Festival** deploying 30 Shogun Connect devices at Jan '23 festival




Frame.io CAMERA TO CLOUD CUSTOMERS ENTERPRISE INTEGRATIONS PRICING SUPPORT LOG IN SIGN UP

## Camera to Cloud

### Hardware partners



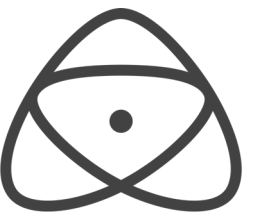
 **ATOMOS**

Use the Atomos Connect Wi-Fi 6 module for existing Ninja V/V+ recorders or a 7" Shogun Connect recorder to capture finishing-quality ProRes or DNx files. Lower-bandwidth 1080p, H.265 (HEVC) proxy files are simultaneously generated and automatically uploaded. (Available later this year.)

[Visit Atomos >](#)

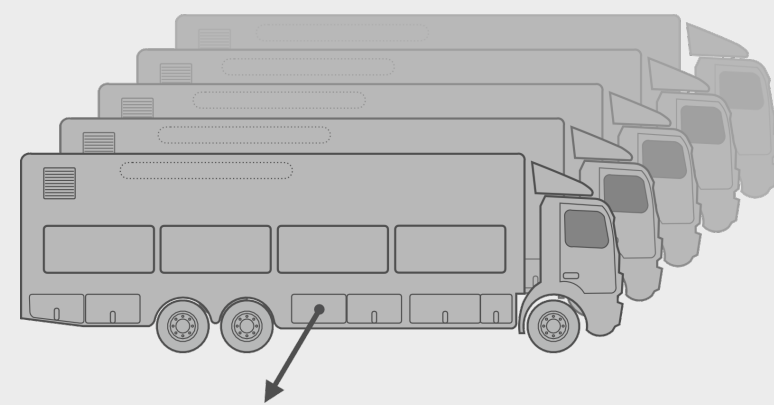


# Atomos Cloud Studio



ATOMOS CLOUD STUDIO WILL REVOLUTIONISE LIVE PRODUCTION

## Outside Broadcast Vans – Legacy Live Production



### Traditional Live Production

- Not scalable
- Very expensive
- Complicated
- Restrictive set of expensive cameras suitable for use



## SIMPLIFY

Easier  
Cheaper

**Much Wider Appeal**

**Eliminate adoption barriers**

## Atomos Cloud Studio – Live Production

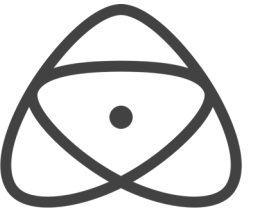


### Atomos Live Production

- Scalable (cloud based)
- Cost effective (SaaS model)
- Simple to setup and use (everything controlled from intuitive iPad app)
- Flexible – use ANY camera via ATOMOS monitor/recorder or use iPhone



# Atomos Cloud Studio



## MASS APPEAL OF **ATOMOS LIVE PRODUCTION**



## GAME CHANGER

Enormous simplicity enables mass-appeal opportunities

With nothing more than two **iPhones**, an **iPad** and an **Atomos Cloud** subscription, anyone can do a live production. **Anywhere. Anytime.**

Social events

Corporate

Grass-roots sports

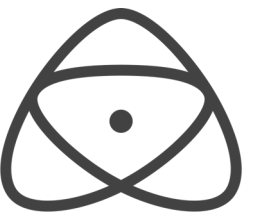
Houses of Worship

Schools

Live Performances

This technology will allow **anyone** to host their own live pay-per-view events using **ATOMOS live production services**

# Direct to customer



## ROLLOUT OF ATOMOS ECOMMERCE ON TRACK



Website partner for eCommerce solution engaged and development well progressed



Payment platform partner selected



Innovative buy-now-pay-later partner selected



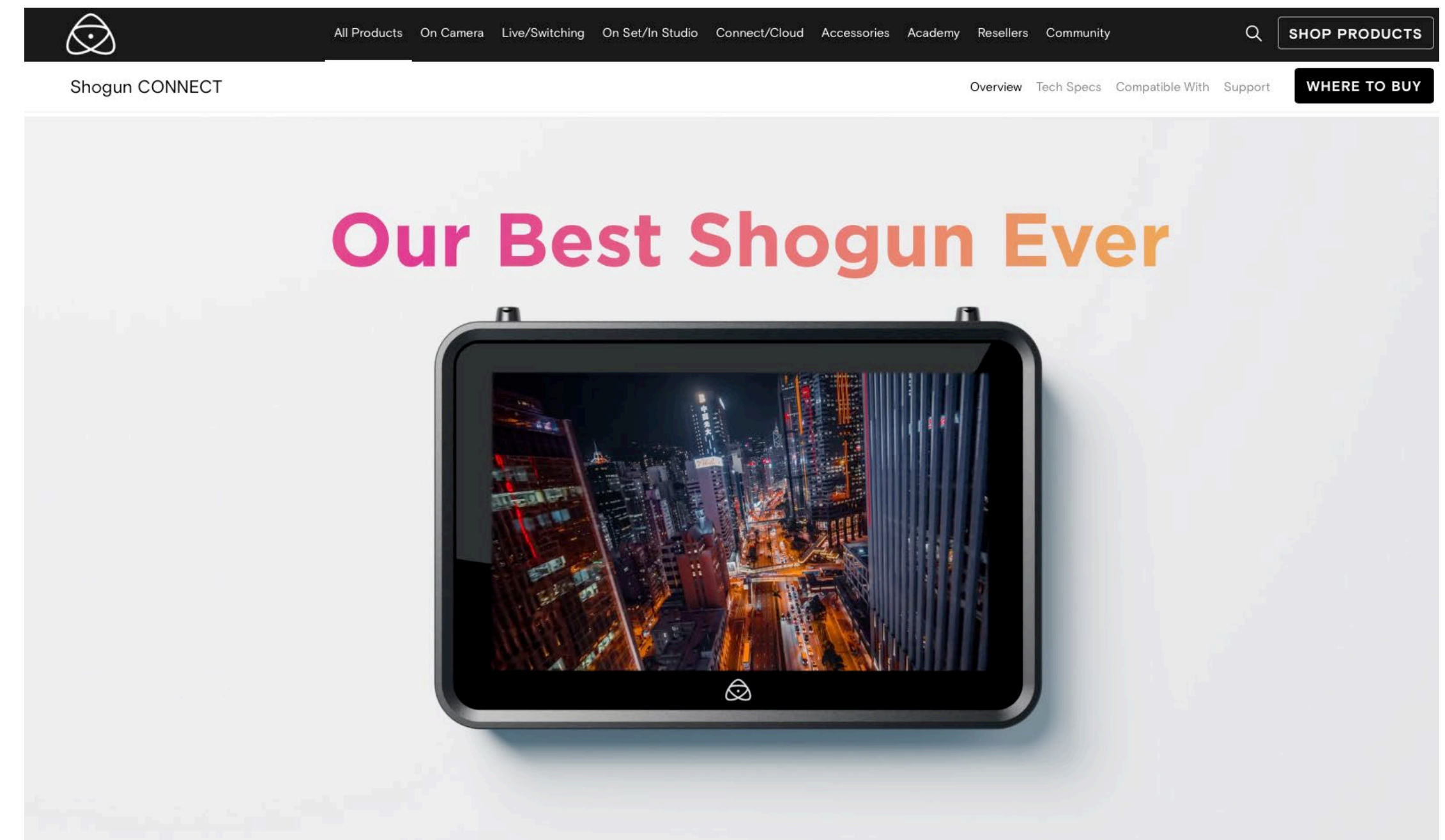
Third party logistics partners engaged



On schedule to launch eCommerce on redesigned Atomos website Jan 2023



Experienced D2C expert leading rollout of Atomos eCommerce solution



### Unbeatable in the Field

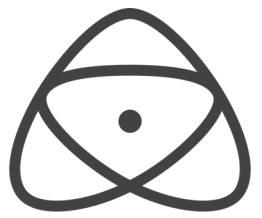
Shogun CONNECT combines portable monitoring and professional RAW recording, with support for integrated and cloud-based workflows.

Shogun CONNECT builds on the pedigree of the ground-breaking Shogun product line. Every detail has been redesigned from the ground up to make Shogun CONNECT the most powerful and versatile device ATOMOS has ever created.

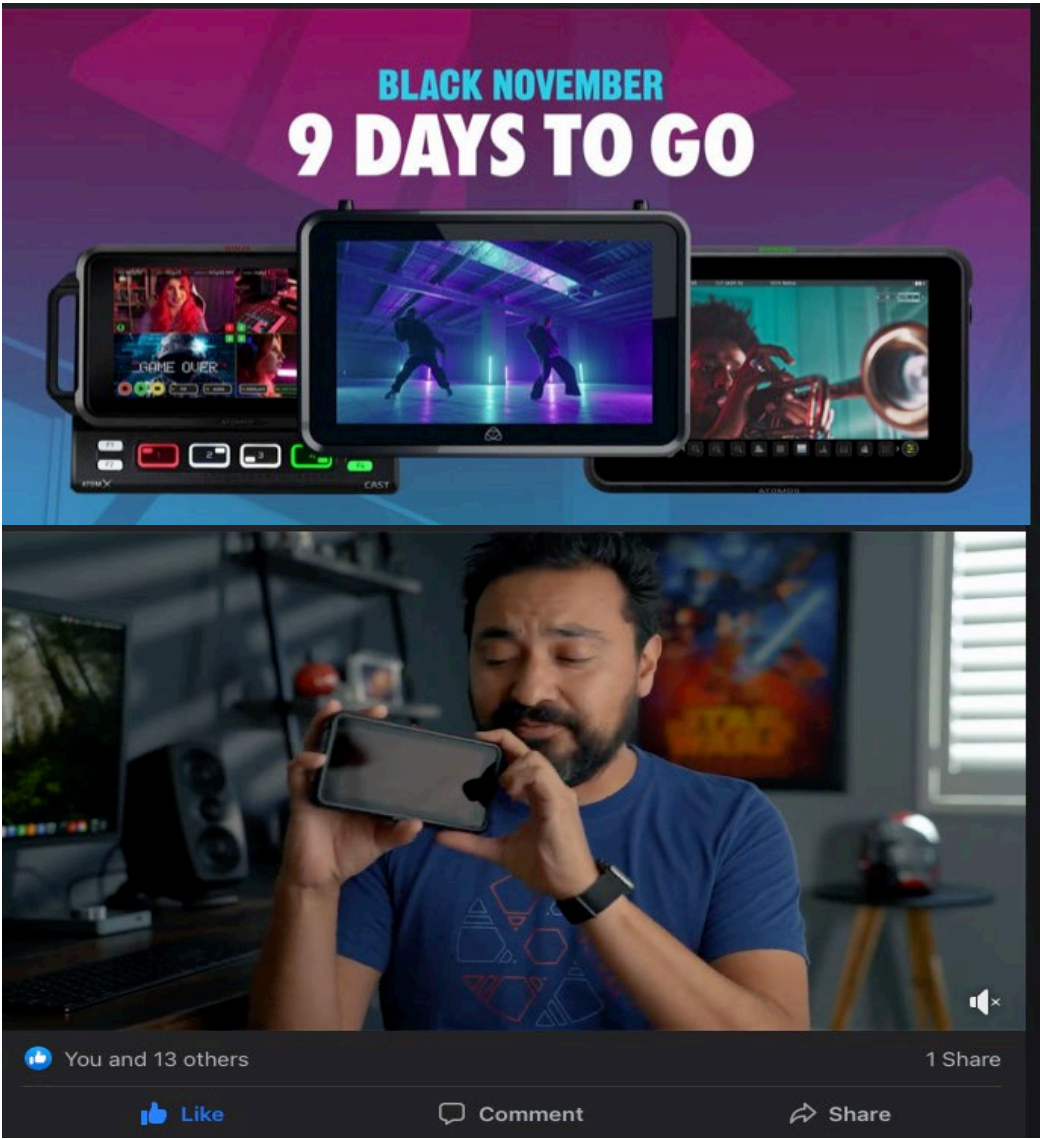




# Improved delivery of marketing

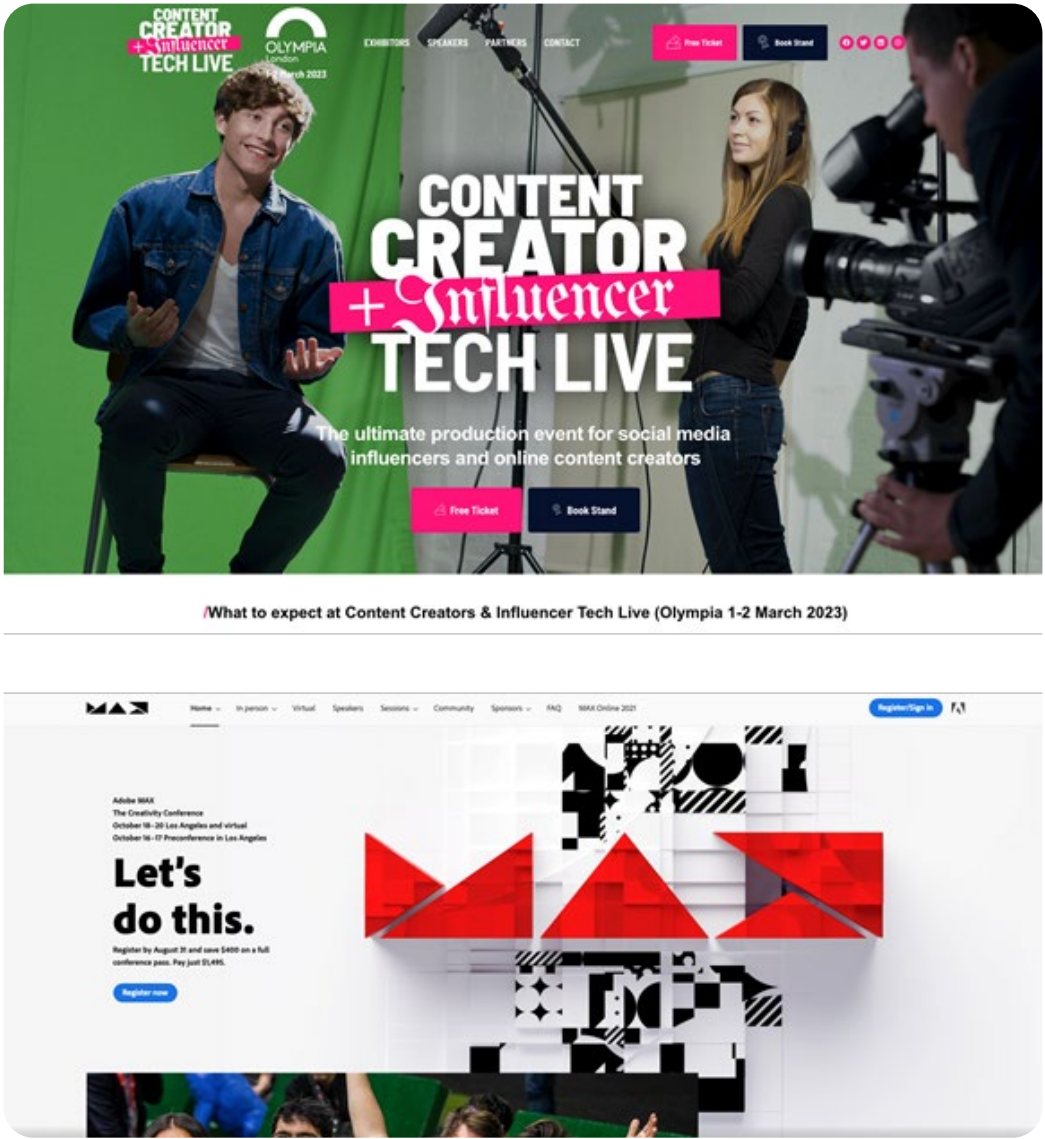


## BETTER MARKETING CHANNELS TO CUSTOMERS



### Focus on digital and social

Heavy use of digital platforms like YouTube to target customers. Content marketing to include hosting events that showcase our connected products, engaging directly with our partners and customers



### No more expensive tradeshows

No more big and expensive tradeshows where it's difficult to measure success. Attend more focused events that have a smaller footprint that focus more directly on our connected products and cloud services

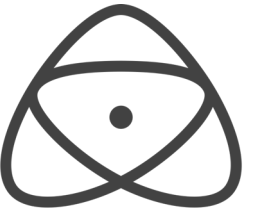


### New website

With the launch of eCommerce, fully utilise our website as a powerful marketing tool which engages our customers and clearly explains use cases which solve problems for the market segments they belong to. New website will also provide customer data

# Products & Services Outlook

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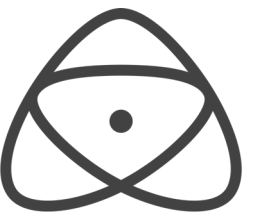


**Atomos is building products and services that are at the forefront of new collaboration workflows. These new products and services will fuel growth for the next 5+ years.**

- Leverage proven Atomos fundamentals:  
**Deep tech expertise, great product design, brand equity, partnerships with industry leaders**
- New Atomos Cloud Studio will place **Atomos at forefront** of the future of video content creation
- New **Series 2** products powering these new workflows
- Improve marketing with customer data, segmentation and targeting to increase marketing spend ROI
- Efficient **digital marketing campaigns** for new cloud studio services and D2C
- Complete organization restructure and **cost base reduction**
- Balance sheet **improvement** from working capital reduction – leveraging strong inventory position



# Financial Outlook



## BUILDING A BETTER BUSINESS

### Managing Global Market Headwinds

Sales are very volatile in the current environment reflecting global economic uncertainty

Transform business from being circa **\$73m** revenue break-even (FY22) to circa **\$60m** to break even

Strong focus on profitability

This will enable the business to conserve cash in the face of these circumstances

**The Result will be a much stronger business well positioned to take advantage of the enormous opportunities ahead**

### Lower Operating Costs



- Reorganization underway
- Complete review of all operating cost lines
- Fixed annual costs reduced by circa \$10m (30%) by end of FY23

### Leverage Strong Inventory Position



- Avoid large additional spend on production
- Suppliers to hold components on our behalf
- Total inventory level run-rate ~\$15m by end FY23 (42% reduction)