

# Q3'24 EARNINGS

November 4, 2024

# SAFE HARBOR STATEMENT

During today's presentation, we will make statements related to our business that may be considered forward-looking and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended, including statements concerning our financial guidance for the fourth fiscal quarter of 2024 and the full year 2024, expected revenue, profitability and cash flow, our potential 2025 business performance, our position to execute on our go-to-market and growth strategy, our ability to expand our leadership position, our ability to maintain and upsell existing customers, as well as our ability to acquire new customers.

Forward-looking statements may often be identified with words such as we expect, we anticipate, upcoming, or similar indications of future expectations. These statements reflect management's beliefs as of today and should not be reflected upon as representing our views as of any subsequent date. These statements are subject to a variety of risks, uncertainties, and changes in circumstances that are difficult to predict and many of which are outside of our control. For a discussion on material risks and other important factors that could affect our actual results, please refer to those contained in our most recently filed Annual Report on Form 10-K and as updated by our subsequent SEC filings.

Also, during the course of today's presentation, we will refer to certain non-GAAP financial measures. There is a reconciliation schedule showing the most directly comparable GAAP financial measures versus non-GAAP measures available in our press release issued after market close today, which can be found on our website at [www.brightcove.com](http://www.brightcove.com).

# TODAY'S PRESENTERS



**MARC DEBEVOISE**  
CEO & Board Director



**JOHN WAGNER**  
Chief Financial Officer

# Q3 FINANCIAL RESULTS

**\$49.9M**

Total revenue

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-2% YoY

**\$5.1M**

Adj. EBITDA

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10% margin

**\$1.6M**

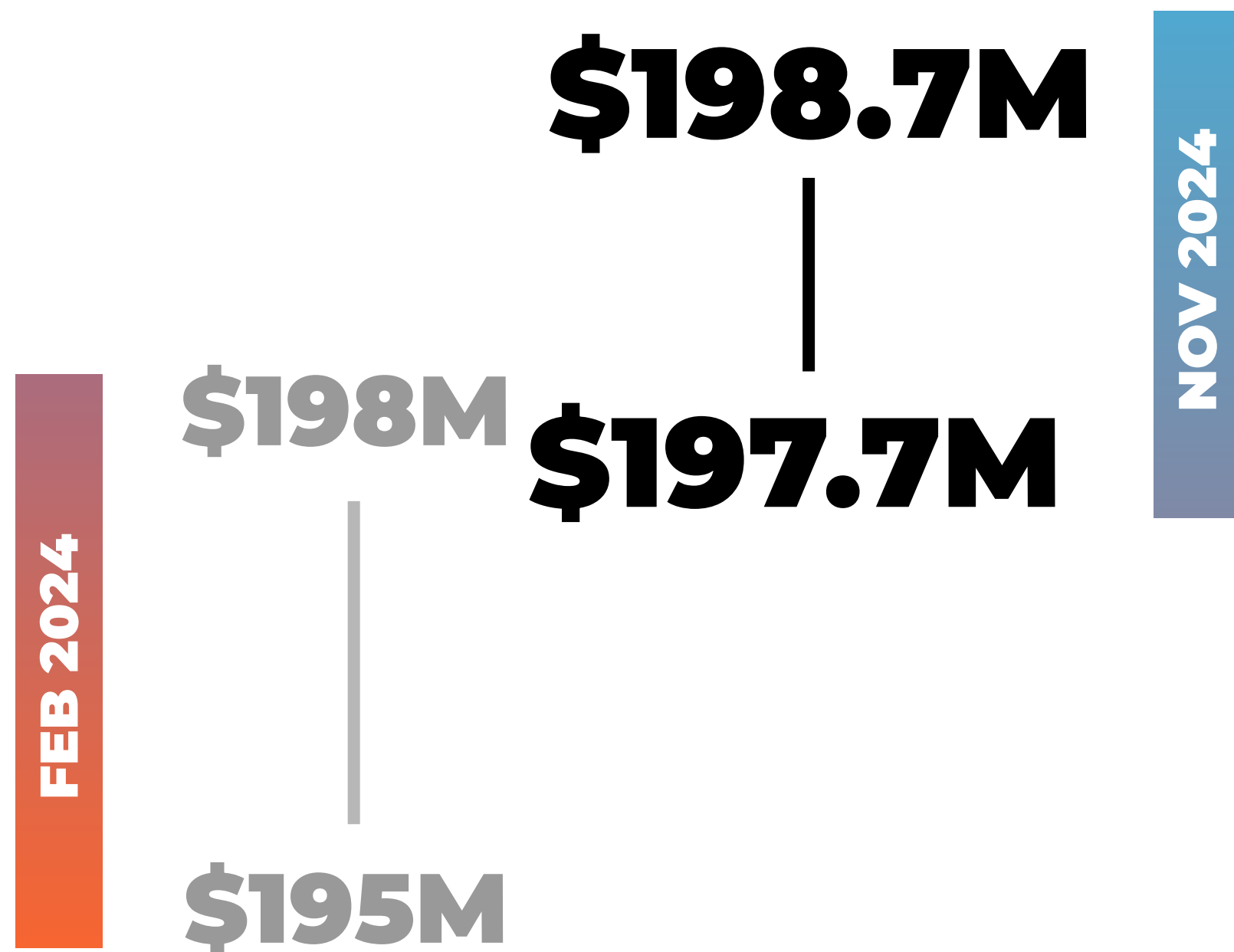
Free cash flow

**\$27M**

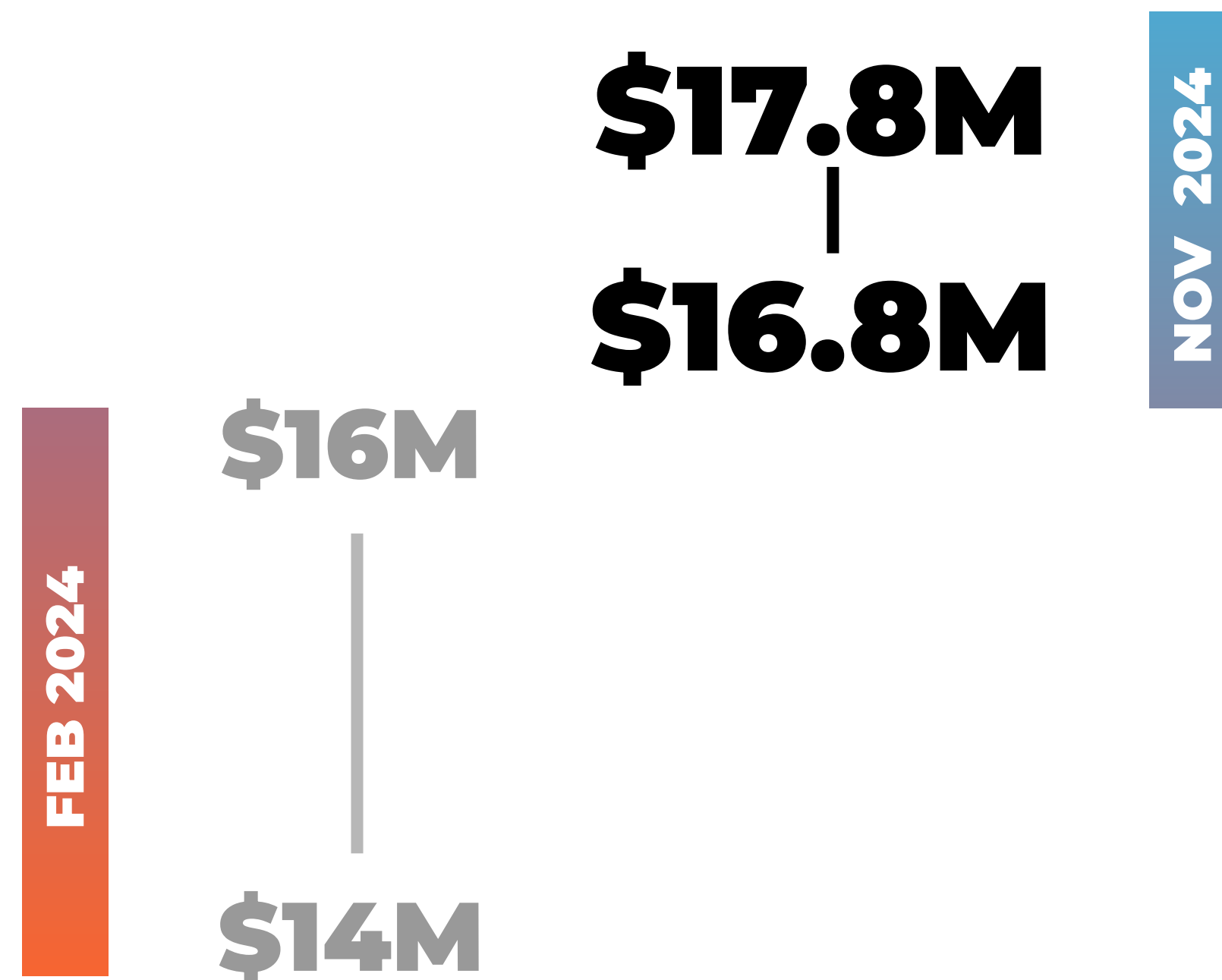
Cash & Cash Equivalents

# REVISED GUIDANCE

## REVENUE



## ADJ EBITDA



# **BUSINESS RESULTS**

# Q3'24 BUSINESS RESULTS HIGHLIGHTS

## NEW BUSINESS

**+50%**

QoQ

**+20%**

vs trailing 4 quarters average

## NEW BUSINESS CONTRACT VALUES

**~ +50%**

YoY

**+90%**

QoQ &

vs trailing 4 quarters average

## ADD-ON

**+5%**

YoY

# SELECT Q3'24 ENTERPRISE DEALS





# SELECT Q3'24 MEDIA DEALS



ACADEMY  
OF MOTION PICTURE  
ARTS AND SCIENCES

\*Q2 win

# OUR AI STRATEGY

Accelerate our customers' growth, optimization and efficiency with a **secure, open, intelligent, integrated** (and eventually automated) **platform**.

## STRATEGY

### GROWTH & OPTIMIZATION

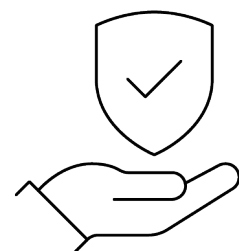
Grow Audience, Drive Engagement, Increase Revenue

- ▶ Deliver analytics, insights & automation
- ▶ Create compelling content
- ▶ Personalize content
- ▶ Improve Monetization, conversion & engagement

### EFFICIENCY

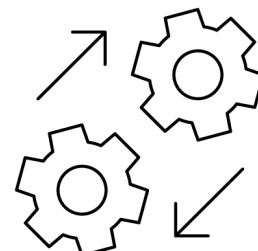
Reduce Costs & Time

- ▶ Reduce costs (content production, storage & delivery, labor)
- ▶ Improve quality of content delivery & employee engagement
- ▶ Increase speed to market



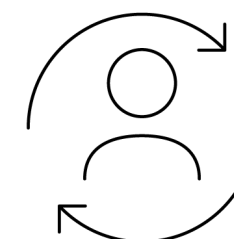
#### SECURE DATA & CONTENT INCLUSION

Your content and data are safe with us



#### DEEPLY INTEGRATED & FLEXIBLE

With our system and our customers' systems



#### AUTOMATION (engagement flywheel)

Insights to Actions to Automation



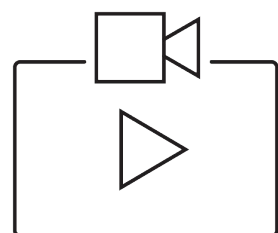
#### PARTNER ENHANCED

Utilizing best engines available

## DIFFERENTIATION

# BRIGHTCOVE | AI SUITE™

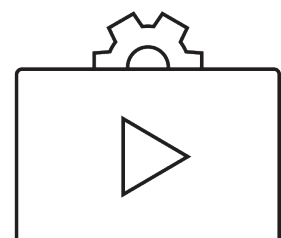
## DRIVEN BY CUSTOMER NEEDS



### CONTENT CREATION

Create, generate, repurpose & reformat

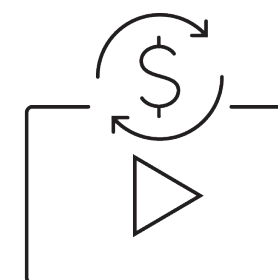
- ▶ AI Content Multiplier
- ▶ AI Universal Translator
- ▶ AI Text to Video\*



### CONTENT MANAGEMENT & OPTIMIZATION

Prepare, manage, organize & search

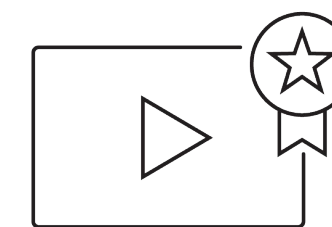
- ▶ AI Metadata Optimizer



### CONTENT ENGAGEMENT & MONETIZATION

Measure, engage, monetize & convert

- ▶ AI Engagement Maximizer



### QUALITY & EFFICIENCY

Reduce costs to ingest, store & deliver video without sacrificing quality

- ▶ AI Cost-to-Quality Optimizer

\*Q4 Addition

# INITIAL AI PILOT RESPONSE

# 50

CUSTOMERS  
IN PILOT PROGRAM



ONE VALLEY

## PARTNERS

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ANTHROPIC



# **FINANCIALS**

**JOHN WAGNER**  
Chief Financial Officer

# REVENUE

**\$49.9**

**MILLION**

Down  
2%  
YoY



# SUBSCRIPTION BACKLOG

12 MONTH	>12 MONTHS	TOTAL
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**RECORD > 12 MONTHS  
BACKLOG**

**\$122.4M**

+1% YoY

**\$60.8M**

+15% YoY

**\$183.2M**

+5% YoY

# ARPU

RECORD ARPU

# \$101.4K

Average annual  
subscription revenue  
per premium customer

UP  
6%  
YoY





# **GAAP NET LOSS AND EPS**

**(\$3.0)**

**MILLION**

**EPS (\$0.07)**

# **ADJUSTED EBITDA**

**\$5.1**

**MILLION**

**10% of Revenue**

# FINANCIAL RESULTS

**REVENUE**

**\$49.9**  
MILLION

Down  
2%  
YoY



**GAAP NET LOSS**

**(\$3.0)**  
MILLION

**ADJUSTED EBITDA**

**\$5.1**  
MILLION

10%  
of  
revenue

# **CASH BALANCE & QoQ NET INCREASE IN CASH**

**\$27.0M**

Cash and cash  
equivalents

**+\$2.8M**

Q3 Net Increase in Cash  
& Cash equivalents

**+\$1.6M**

Q3 Free Cash Flow

# GUIDANCE

	Q4'24		FY'24	
	LOW	HIGH	LOW	HIGH
<b>Revenue</b>	\$48M	\$49M	\$197.7M	\$198.7M
<b>Non-GAAP Op Inc/(Loss)</b>	(\$1.3M)	(\$0.3M)	\$0.1M	\$1.1M
<b>Adjusted EBITDA</b>	\$3M	\$4M	\$16.8M	\$17.8M
<b>Non-GAAP EPS</b>	(\$0.04)	(\$0.01)	(\$0.02)	\$0.00

**THANK  
YOU**

# APPENDIX - NON-GAAP FINANCIAL MEASURES

Brightcove has provided in this release the non-GAAP financial measures of non-GAAP gross profit, non-GAAP gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss), adjusted EBITDA, non-GAAP diluted net income (loss) per share, and revenue and adjusted EBITDA on a constant currency basis. Brightcove uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating Brightcove's ongoing operational performance. Brightcove believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results with other companies in Brightcove's industry, many of which present similar non-GAAP financial measures to investors. As noted, the non-GAAP financial results discussed above of non-GAAP gross profit, non-GAAP gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss) and non-GAAP diluted net income (loss) per share exclude stock-based compensation expense, amortization of acquired intangible assets, merger-related expense, gain on sales of assets, and restructuring expense. The non-GAAP financial results discussed above of adjusted EBITDA is defined as consolidated net income (loss), plus other income/expense, including interest expense and interest income, the provision for income taxes, depreciation and amortization expense, including the amortization of acquired intangible assets, stock-based compensation expense, merger-related expense, gain on sales of assets, and restructuring expense. Merger-related expenses include fees incurred in connection with an acquisition and restructuring expenses include primarily cash severance costs. Revenue and adjusted EBITDA on a constant currency basis reflect our revenues and adjusted EBITDA using exchange rates used for Brightcove's Fiscal Year 2024 outlook on Brightcove's press release on February 22, 2024. Non-GAAP financial measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. As previously mentioned, a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this press release. The Company's earnings press releases containing such non-GAAP reconciliations can be found on the Investors section of the Company's web site at <http://www.brightcove.com>.

**Brightcove Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 26,965	\$ 18,615
Accounts receivable, net of allowance	27,772	33,451
Prepaid expenses and other current assets	17,735	18,333
Total current assets	72,472	70,399
Property and equipment, net	36,712	42,476
Operating lease right-of-use asset	17,484	16,233
Intangible assets, net	3,602	6,368
Goodwill	74,859	74,859
Other assets	5,409	5,772
Total assets	<u>\$ 210,538</u>	<u>\$ 216,107</u>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 7,534	\$ 14,422
Accrued expenses	21,357	17,566
Operating lease liability	4,236	4,486
Deferred revenue	63,213	68,155
Total current liabilities	96,340	104,629
Operating lease liability, net of current portion	18,452	17,358
Other liabilities	304	207
Total liabilities	115,096	122,194
Stockholders' equity:		
Common stock	45	44
Additional paid-in capital	336,996	328,918
Treasury stock, at cost	(871)	(871)
Accumulated other comprehensive loss	(1,158)	(1,236)
Accumulated deficit	(239,570)	(232,942)
Total stockholders' equity	95,442	93,913
Total liabilities and stockholders' equity	<u>\$ 210,538</u>	<u>\$ 216,107</u>



**Brightcove Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue:				
Subscription and support revenue	\$ 47,963	\$ 48,571	\$ 143,329	\$ 144,686
Professional services and other revenue	1,987	2,409	6,349	6,345
<b>Total revenue</b>	<b>49,950</b>	<b>50,980</b>	<b>149,678</b>	<b>151,031</b>
Cost of revenue: (1) (2)				
Cost of subscription and support revenue	16,574	16,892	50,658	51,760
Cost of professional services and other revenue	1,804	2,369	6,749	6,269
<b>Total cost of revenue</b>	<b>18,378</b>	<b>19,261</b>	<b>57,407</b>	<b>58,029</b>
<b>Gross profit</b>	<b>31,572</b>	<b>31,719</b>	<b>92,271</b>	<b>93,002</b>
Operating expenses: (1) (2)				
Research and development	8,742	8,730	26,566	28,941
Sales and marketing	16,393	17,222	49,927	55,721
General and administrative	9,241	7,941	27,607	27,410
Merger-related	-	117	-	307
Gain on sale of assets	-	-	(6,000)	-
<b>Total operating expenses</b>	<b>34,376</b>	<b>34,010</b>	<b>98,100</b>	<b>112,379</b>
Loss from operations	(2,804)	(2,291)	(5,829)	(19,377)
Other income, net	139	130	150	9
Loss before income taxes	(2,665)	(2,161)	(5,679)	(19,368)
Provision for income taxes	292	260	949	1,004
<b>Net loss</b>	<b>\$ (2,957)</b>	<b>\$ (2,421)</b>	<b>\$ (6,628)</b>	<b>\$ (20,372)</b>
Net loss per share—basic and diluted				
Basic	\$ (0.07)	\$ (0.06)	\$ (0.15)	\$ (0.47)
Diluted	(0.07)	(0.06)	(0.15)	(0.47)
Weighted-average shares—basic and diluted				
Basic	44,970	43,332	44,563	42,976
Diluted	44,970	43,332	44,563	42,976
(1) Stock-based compensation included in above line items:				
Cost of subscription and support revenue	\$ 105	\$ 122	\$ 333	\$ 389
Cost of professional services and other revenue	75	92	186	284
Research and development	494	598	1,285	1,837
Sales and marketing	795	1,057	2,332	3,157
General and administrative	1,162	1,541	3,867	4,773
(2) Amortization of acquired intangible assets included in the above line items:				
Cost of subscription and support revenue	\$ 521	\$ 547	\$ 1,561	\$ 1,749
Sales and marketing	401	406	1,205	1,239

**Brightcove Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)



	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Operating activities</b>				
Net loss	\$ (2,957)	\$ (2,421)	\$ (6,628)	\$ (20,372)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	5,115	4,236	15,199	12,244
Stock-based compensation	2,631	3,410	8,003	10,440
Provision for reserves on accounts receivable	22	(84)	6	138
Gain on sale of assets	-	-	(6,000)	-
Changes in assets and liabilities:				
Accounts receivable	564	(337)	5,651	(4,556)
Prepaid expenses and other current assets	604	1,198	(431)	(684)
Other assets	(699)	240	271	1,042
Accounts payable	1,928	(311)	(5,603)	3,065
Accrued expenses	1,800	(1,263)	4,238	(6,737)
Operating leases	(138)	(117)	(400)	(291)
Deferred revenue	(5,465)	(2,423)	(4,853)	6,017
Net cash provided by operating activities	<u>3,405</u>	<u>2,128</u>	<u>9,453</u>	<u>306</u>
<b>Investing activities</b>				
Gain on sale of assets	-	-	6,000	-
Purchases of property and equipment, net of returns	(96)	(1,492)	(1,253)	(2,820)
Capitalization of internal-use software costs	(1,707)	(2,804)	(5,736)	(10,037)
Net cash used in investing activities	<u>(1,803)</u>	<u>(4,296)</u>	<u>(989)</u>	<u>(12,857)</u>
<b>Financing activities</b>				
Deferred acquisition payments	-	-	-	(1,700)
Other financing activities	-	-	(239)	(256)
Net cash used in financing activities	<u>-</u>	<u>-</u>	<u>(239)</u>	<u>(1,956)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1,193</u>	<u>(503)</u>	<u>125</u>	<u>(965)</u>
Net increase (decrease) in cash and cash equivalents	2,795	(2,671)	8,350	(15,472)
Cash and cash equivalents at beginning of period	24,170	19,093	18,615	31,894
Cash and cash equivalents at end of period	<u>\$ 26,965</u>	<u>\$ 16,422</u>	<u>\$ 26,965</u>	<u>\$ 16,422</u>

**Reconciliation of GAAP Gross Profit, GAAP Loss From Operations, GAAP Net Loss and GAAP Net Loss Per Share to  
Non-GAAP Gross Profit, Non-GAAP Income (Loss) From Operations, Non-GAAP Net Income (Loss) and Non-GAAP Net Income (Loss) Per Share  
(in thousands, except per share amounts)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
GROSS PROFIT:				
GAAP gross profit	\$ 31,572	\$ 31,719	\$ 92,271	\$ 93,002
Stock-based compensation expense	180	214	519	673
Amortization of acquired intangible assets	521	547	1,561	1,749
Restructuring expense	-	6	193	104
Non-GAAP gross profit	\$ 32,273	\$ 32,486	\$ 94,544	\$ 95,528
GAAP gross profit as a percentage of revenue	63%	62%	62%	62%
Stock-based compensation expense	0.4%	0.4%	0.3%	0.4%
Amortization of acquired intangible assets	1.0%	1.1%	1.0%	1.2%
Restructuring expense	0.0%	0.0%	0.1%	0.1%
Non-GAAP gross profit as a percentage of revenue	65%	64%	63%	63%
INCOME (LOSS) FROM OPERATIONS:				
GAAP loss from operations	\$ (2,804)	\$ (2,291)	\$ (5,829)	\$ (19,377)
Stock-based compensation expense	2,631	3,410	8,003	10,440
Amortization of acquired intangible assets	922	953	2,766	2,988
Merger-related expense	-	117	-	307
Restructuring expense	111	74	2,427	2,830
Gain on sale of assets	-	-	(6,000)	-
Non-GAAP income (loss) from operations	\$ 860	\$ 2,263	\$ 1,367	\$ (2,812)
NET (LOSS) INCOME:				
GAAP net loss	\$ (2,957)	\$ (2,421)	\$ (6,628)	\$ (20,372)
Stock-based compensation expense	2,631	3,410	8,003	10,440
Amortization of acquired intangible assets	922	953	2,766	2,988
Merger-related expense	-	117	-	307
Restructuring expense	111	74	2,427	2,830
Gain on sale of assets	-	-	(6,000)	-
Non-GAAP net income (loss)	\$ 707	\$ 2,133	\$ 568	\$ (3,807)
GAAP diluted net loss per share	\$ (0.07)	\$ (0.06)	\$ (0.15)	\$ (0.47)
Non-GAAP diluted net income (loss) per share	\$ 0.02	\$ 0.05	\$ 0.01	\$ (0.09)
Shares used in computing GAAP diluted net loss per share	44,970	43,332	44,563	42,976
Shares used in computing Non-GAAP diluted net income per share	46,159	43,364	45,153	42,976

**Brightcove Inc.**  
**Calculation of Adjusted EBITDA**  
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (2,957)	\$ (2,421)	\$ (6,628)	\$ (20,372)
Stock-based compensation expense	2,631	3,410	8,003	10,440
Depreciation and amortization	5,115	4,236	15,199	12,244
Merger-related expense	-	117	-	307
Restructuring expense	111	74	2,427	2,830
Gain on sale of assets	-	-	(6,000)	-
Other (income) expense, net	(139)	(130)	(150)	(9)
Provision for income taxes	292	260	949	1,004
Adjusted EBITDA	\$ 5,053	\$ 5,546	\$ 13,800	\$ 6,444

**Brightcove Inc.**

**Reconciliation of Revenue on a Constant Currency Basis and Calculation of Adjusted EBITDA on a Constant Currency Basis  
(in thousands)**

	<u>Three Months Ended September 30,</u> <u>2024</u>	<u>Nine Months Ended September 30,</u> <u>2024</u>
Total revenue	\$ 49,950	\$ 149,678
Constant currency adjustment	171	850
Total revenue on a constant currency basis	<u>\$ 50,121</u>	<u>\$ 150,528</u>
	<u>Three Months Ended September 30,</u> <u>2024</u>	<u>Nine Months Ended September 30,</u> <u>2024</u>
Adjusted EBITDA	\$ 5,053	\$ 13,800
Constant currency adjustment	33	391
Adjusted EBITDA on a constant currency basis	<u>\$ 5,086</u>	<u>\$ 14,191</u>