
INVESTOR DAY PRESENTATION

NOVEMBER 9, 2022

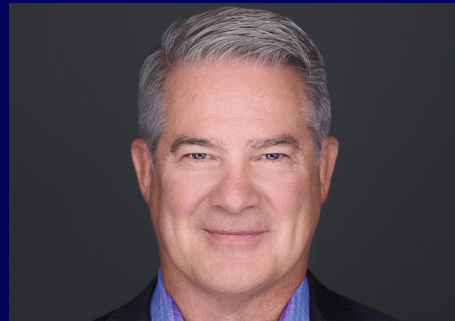
TODAY'S PRESENTERS



Marc DeBevoise
CEO & Board Director



David Beck
Chief Strategy & Corporate
Development Officer



Dan Freund
Chief Revenue Officer



Rob Noreck
EVP & Chief Financial Officer



Scott Levine
Head of Product & Product
Update



Jennifer Griffin Smith
Chief Marketing Officer



Marty Roberts
SVP of Product Strategy &
Product Marketing

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, including statements concerning our financial guidance for the third fiscal quarter of 2022 and the full year 2022, expected profitability and positive free cash flow, 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 our views only as of today and should not be reflected upon as representing our views of any subsequent date. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations, including the effect of macro-economic conditions currently affecting the global economy. 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 other 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 GAAP versus non-GAAP results currently available in our press release issued after market closed today, which can be found on our website at www.brightcove.com.

STRATEGIC VISION

MARC DEBEVOISE
CEO & Board Director



VIACOMCBS



CBS Interactive

STARZ

NBCUniversal

J.P.Morgan

UPSIDE OPPORTUNITY

in revenue, EBITDA and shareholder returns

- ▶ Right Strategy
- ▶ Right Tech/Solutions
- ▶ Right GTM
- ▶ Right People at Unique Industry Moment



David Beck
Chief Strategy & Corporate
Development Officer



Scott Levine
Head of Product
& Product Update



Marty Roberts
SVP of Product Strategy
& Product Marketing

WarnerMedia

turner

AMC NETWORKS



**BRAVE
VENTURES**

BAIN & COMPANY

**Televisa
Univision**

Aol.

 **WICKET LABS.**

 **thePlatform®**



Jennifer Griffin Smith
Chief Marketing Officer



Dan Freund
Chief Revenue Officer



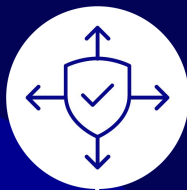
Rob Noreck
EVP & Chief Financial Officer



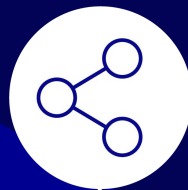
OUR GOALS



Growth



Scale



Diversification



Excellence
Together

VISION

The most trusted
streaming technology
company in the world.

MISSION

To deliver the highest quality, most scalable and secure streaming technology platform for any company brand or creator to own their digital future.

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market

More
End-to-End

Super-Serve Largest
Customers

Accelerate
& Incubate
Customers

Increase
Business Model
Flexibility &
Revenue
Opportunities

Partner in
Broad Market

BUSINESS MODEL LEVERAGE

ARPU

CUSTOMERS

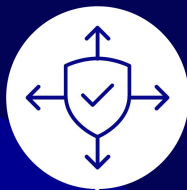
RETENTION

**Accelerating
Revenue Growth
and EBITDA
Margin
Expansion**

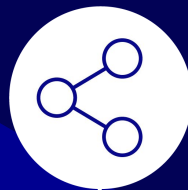
OUR GOALS



Growth



Scale



Diversification

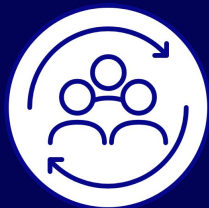


Excellence
Together

MARKET AND STRATEGY

DAVID BECK

Chief Strategy and Corporate Development Officer



MEDIA CLIENTS

BRIGHTCOVE®



Forbes



TASTEMADE

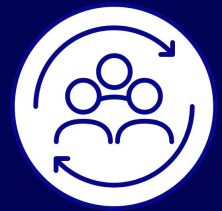
News Corp



500+ MORE GLOBALLY

Deloitte.

3M



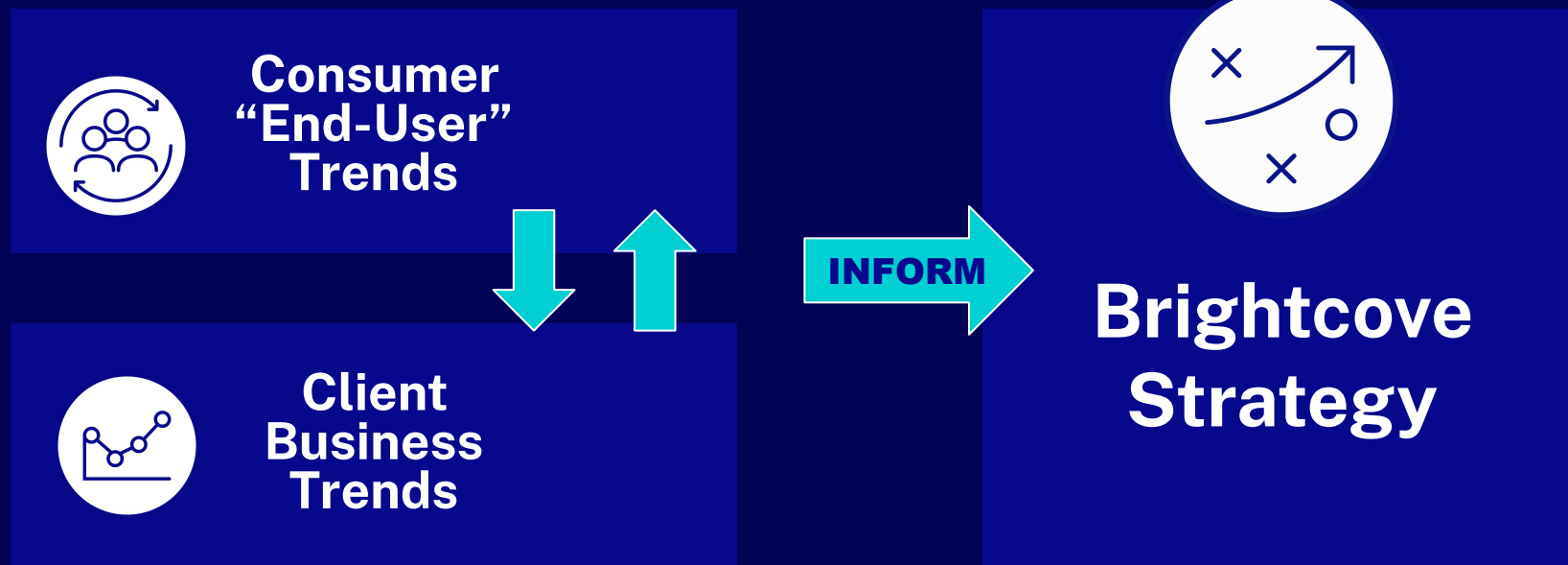
ENTERPRISE CLIENTS



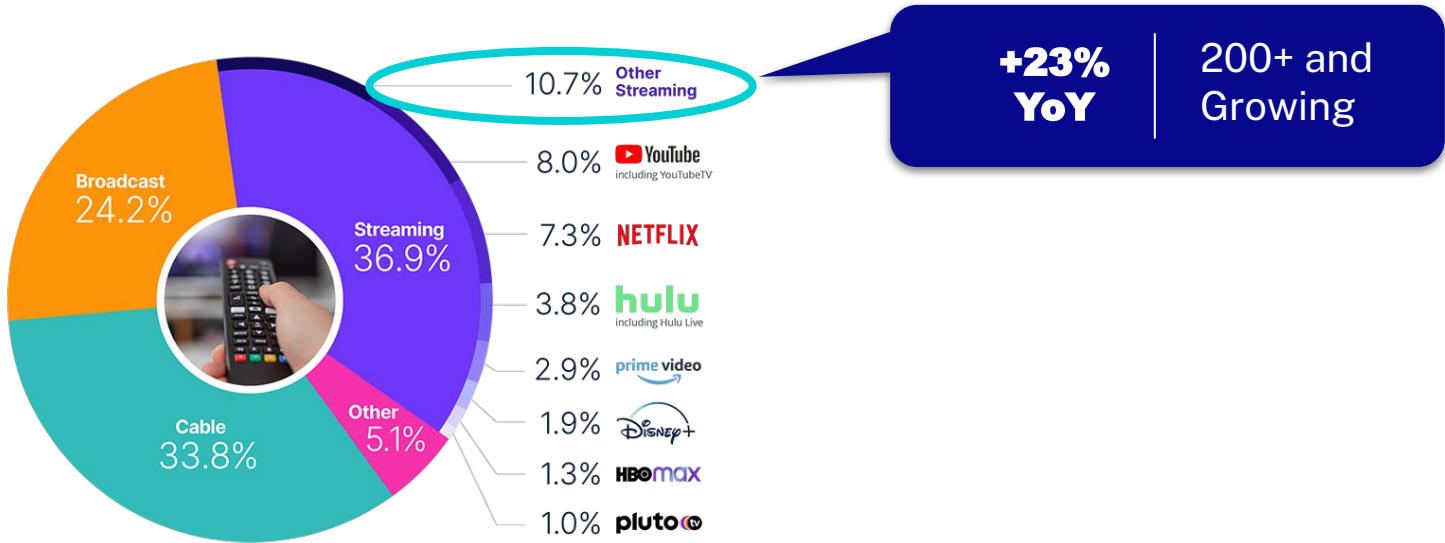
1,500+ MORE GLOBALLY

BRIGHTCOVE'S STRATEGY

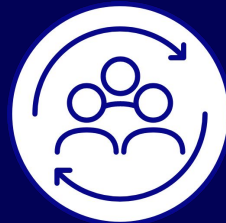
Is Grounded in the Realities of Market Trends



SECOND TIER STREAMING SERVICES RAPIDLY GROWING SHARE



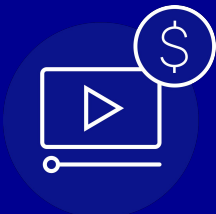
Consumer Linear vs Streaming Views (Sept 2022)



These trends in consumer behaviors
are forcing shifts in the
business models and offerings
of media clients.

BIG MEDIA STREAMING MODEL

was challenged from the beginning



Rapid acceleration
of spending on,
and production
of content to meet
consumer demand

+



Over investing
in building
everything
“in house”

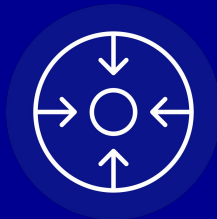
=



Unsustainable
business
models
for the big
players

...AND NOW

the reckoning has begun



Media companies
are consolidating
and / or shutting
down services

+



Everyone
cutting
costs

=



To maintain
their core
competencies
and advantage...
content

PLAY

THE DAWN OF THE
PRODUCER ECONOMY

A portrait of Marc DeBevoise, Chief Executive Officer of Brightcove, smiling. He is wearing a dark jacket over a light-colored shirt. The portrait is set against a dark background and is partially framed by a purple and blue gradient.

**MARC
DeBEVOISE**

Chief Executive Officer
Brightcove

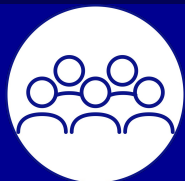
ENTERPRISE CLIENTS SERVE THREE TYPES OF “CONSUMERS” FOR WHICH SPECIFIC TRENDS EXIST



DTC Consumers



B2B Buyers



Employees

Video Is Critical To The **DTC BUYER'S JOURNEY**



73%

of people prefer a short video to learn about a product/service.

People Are Using Video to Inform Purchase Decisions...



88%

of people are convinced to buy a product after watching a video.

Increasingly Being Convinced to Purchase Based on Video...

Video Is Critical To The **B2B BUYER'S JOURNEY**



70%

of B2B buyers report that video makes the most impact over other content formats



97%

of recent video viewers say that they would be more receptive to sales communication from a business after consuming their video content

Shift to Hybrid Workforce and Remote Working Remains **A CHALLENGE FOR EMPLOYERS**



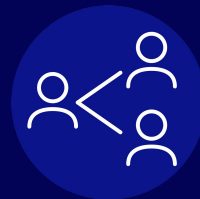
ONLY
40%

understand their
organization's goals



50%

of businesses reporting
higher turnover compared
to pre-pandemic



76%

report feeling
disconnected to their
organization's culture



SHIFTS IN BUSINESS MODELS
AND OFFERINGS FOR

ENTERPRISE CLIENTS

- ▶ **Marketing**
- ▶ **Employee Engagement**

- ▶ Video for lead generation
- ▶ Video for purchase decision
- ▶ Video direct to transaction
- ▶ Video as dominant medium for internal comms

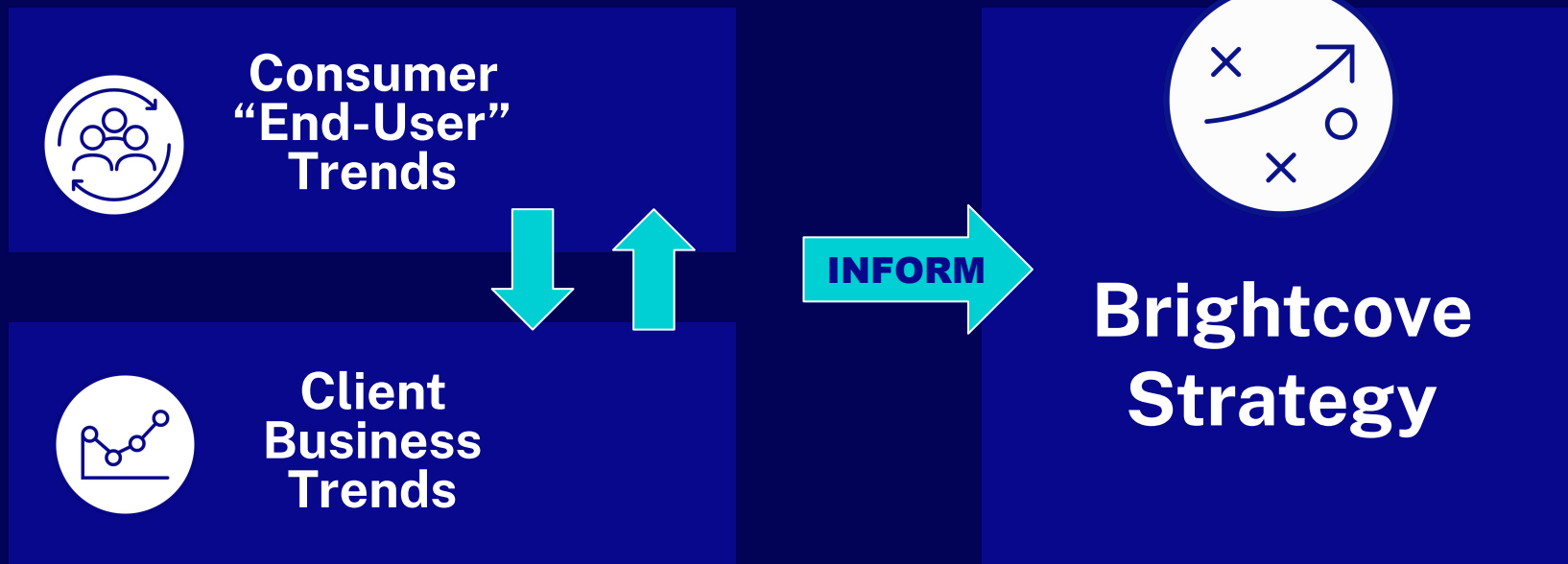
Every company needs to
think and act like a

MEDIA

COMPANY

BRIGHTCOVE'S STRATEGY

Is Grounded in the Realities of Market Trends



STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market

More
End-to-End

Super-Serve Largest
Customers

Accelerate
& Incubate
Customers

Increase
Business Model
Flexibility &
Revenue
Opportunities

Partner in
Broad Market

STRATEGIC INITIATIVES

GTM-RELATED



GTM Focus Shifts



Partnerships & Partner Marketplace



Broadening Services / Advisory Expansion



Producer/Creator Economy

MEDIA CENTRIC



Ad Monetization & Insights



Cloud Playout / FAST Expansion



QoS/QoE



CAE & CDN Switching

ENTERPRISE CENTRIC



Digital Marketing Services



Content as a Service



Internal Comms Video Portal



Accelerate Enterprise Solutions

OUR SOLUTIONS

SCOTT LEVINE
Head of Product

PLATFORM, PRODUCTS & SOLUTIONS

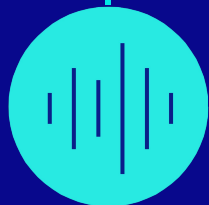
END TO END OFFERINGS

Marketing
Studio

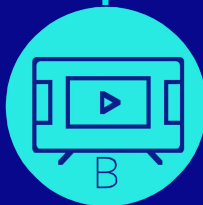
Media
Studio

OTT &
DTC

Monetization



ENCODING



PLAYERS & PLAYOUT



AUDIENCE INSIGHTS

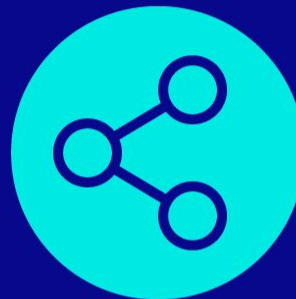
STREAMING SUPPLY CHAIN



**Content
Creation**



**Content
Ingestion and
Management**



**Playback and
Distribution**



**Monetization
and Analytics**

END TO END BRIGHTCOVE SOLUTIONS

WORLD CLASS ENCODING & DELIVERY FROM ZENCODER

- ▶ Highly Scalable
- ▶ Content Aware Encoding delivers up to 50% savings
- ▶ Supports AI/ML automation for transcription and beyond
- ▶ Rich API layer for developers





Experience
MANAGEMENT



Device
MANAGEMENT



Content
MANAGEMENT



Demand
AND DISCOVERY



Viewer
MANAGEMENT



Monetization



Analytics
AND REPORTING



MOST SCALABLE AND ROBUST PLAYERS

- ▶ Scales to support the biggest events: +100M streams per day
- ▶ Full DRM and Digital Advertising Support
- ▶ Productized, ease of use interactivity
- ▶ Supports 3rd party integrations



Roku

SAMSUNG



AUDIENCE INSIGHTS

- ▶ Maximize Audience Lifetime Value through unique insights and data-driven actions
- ▶ Attention Index gives a better view into how content is performing
- ▶ Designed to support a multitude of (50+) partner data sources



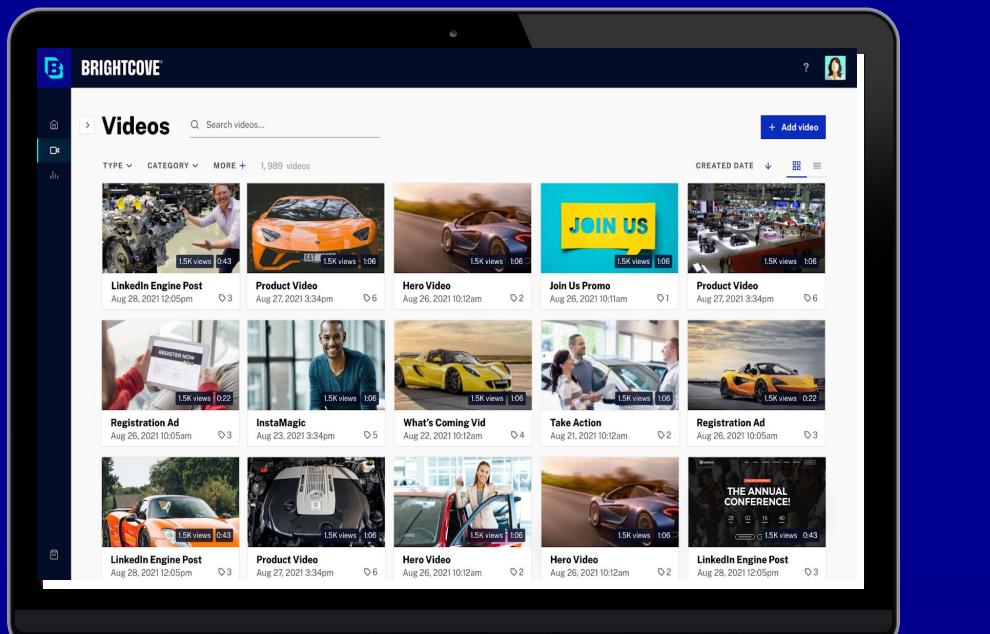
MEDIA STUDIO AND VIDEO CLOUD

- ▶ End to End Streaming Supply Chain
- ▶ Ingest, Tag, Metadata, Manage, Distribute, Play, Monetize, Analyze - all together
- ▶ Rich API layer for developers



MARKETING STUDIO

The streaming video solution that **accelerates business growth** by bridging teams and technology to **deliver premium experiences** and **drive more conversions**



PRODUCT INITIATIVES

MARTY ROBERTS

SVP Product Strategy & Product Marketing

PRODUCT INITIATIVES

MEDIA



Ad Monetization & Insights



Cloud Playout / FAST



Quality of Service/ Quality of Experience

ENTERPRISE



Communications Video Portal



Accelerate Enterprise Solutions via 3rd Party Integrations

BUILDING A STREAMING FIRST CONTENT STRATEGY

JENNIFER SMITH
Chief Marketing Officer

CONTENT SERVICES PRACTICE

**Content
AUDIT**

*“What do I have
now?”*

***Content
Scoping***

**Content
ASSESSMENT**

*“How is it
performing?”*

***Performance
Optimization***

**Content
PLANNING**

*“What do I
need next?”*

***Programming
Advisory***

**Content
ACQUISITION**

*“How do I
get more?”*

***Gap
Filling***

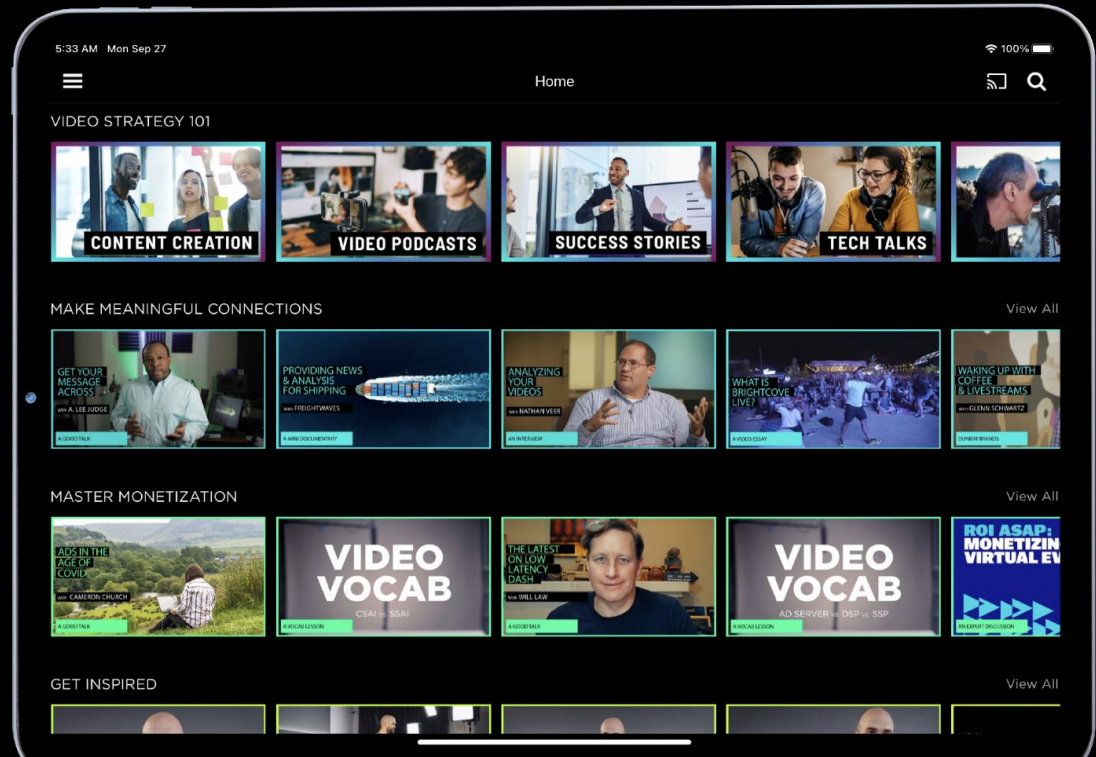
MATURITY STAGES



VIDEO-FIRST CONTENT STRATEGY

PLAYTV™

BY BRIGHTCOVE®





Webby Honoree
in Apps and Software -

**BEST OTT
SERVICE**

PLAY

CHANGE THE WAY YOU
THINK ABOUT STREAMING



RICH GREENFIELD
General Partner
LightShed Ventures

TEDD CITTADINE
Vice President of
Content Partnerships
Roku

CHRISTINA SPADE
CEO
AMC Networks

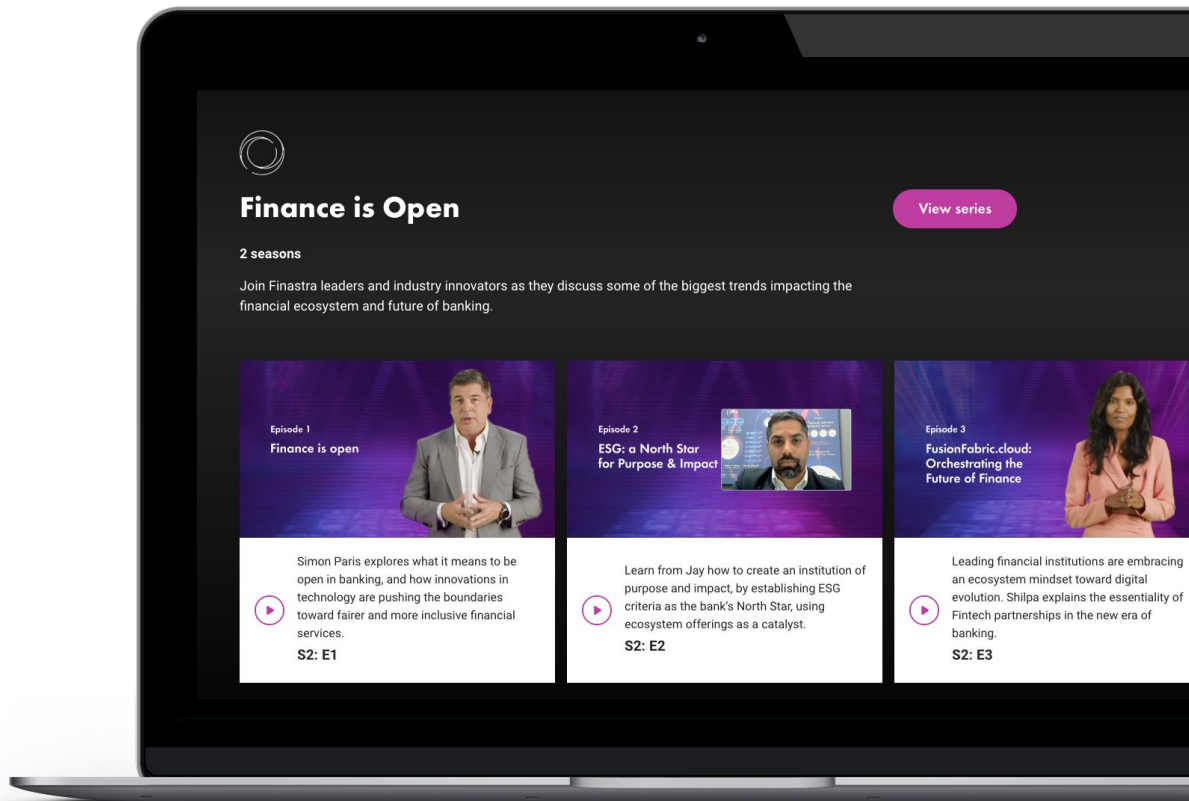


30+ NEW EPISODES

AWARD WINNING



finastra.com/universetv



Finance is Open

[View series](#)

2 seasons

Join Finastra leaders and industry innovators as they discuss some of the biggest trends impacting the financial ecosystem and future of banking.

Episode 1
Finance is open

Simon Paris explores what it means to be open in banking, and how innovations in technology are pushing the boundaries toward fairer and more inclusive financial services.
S2: E1

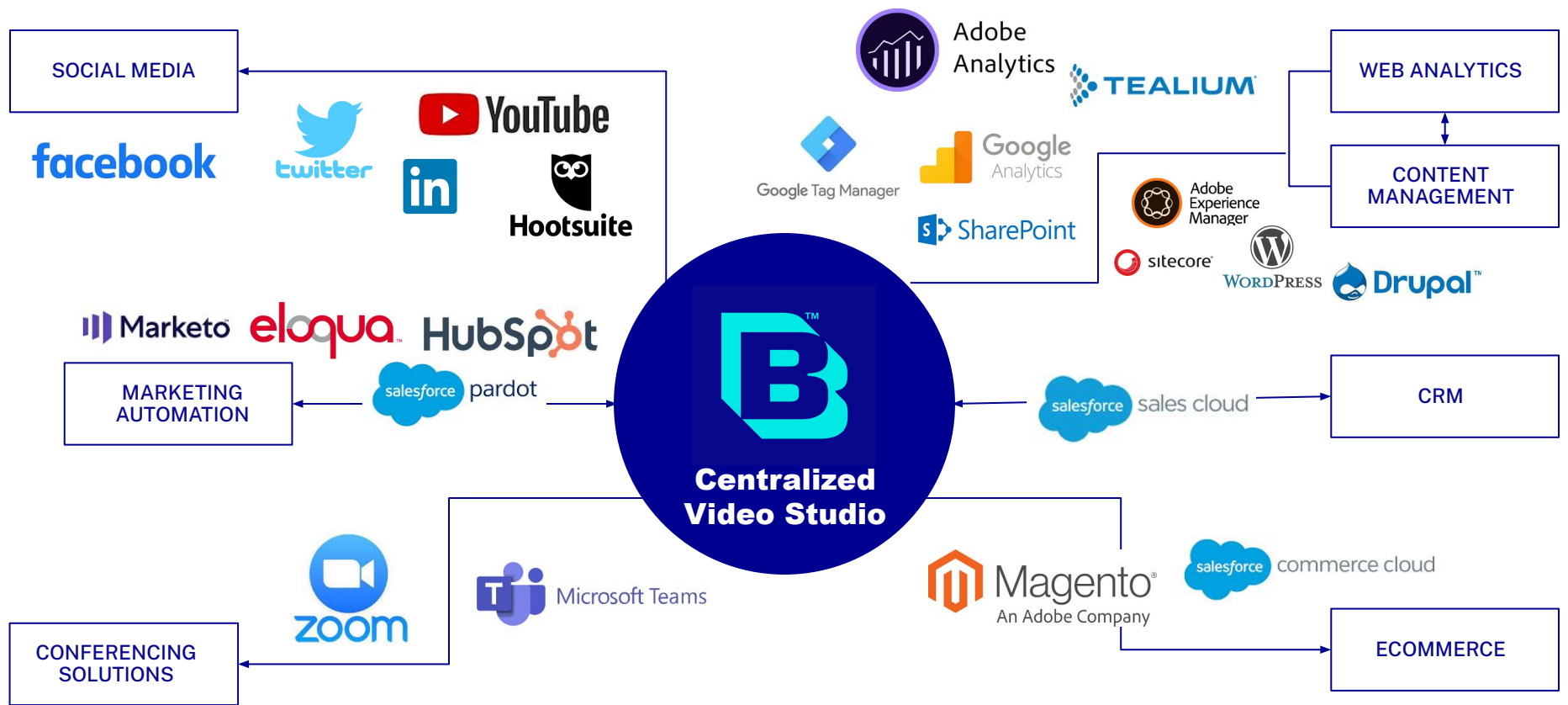
Episode 2
ESG: a North Star for Purpose & Impact

Learn from Jay how to create an institution of purpose and impact, by establishing ESG criteria as the bank's North Star, using ecosystem offerings as a catalyst.
S2: E2

Episode 3
FusionFabric.cloud: Orchestrating the Future of Finance

Leading financial institutions are embracing an ecosystem mindset toward digital evolution. Shilpa explains the essentiality of Fintech partnerships in the new era of banking.
S2: E3

VIDEO FIRST PERSONALIZED MARKETING AT SCALE

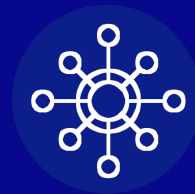


GO TO MARKET INITIATIVES

DAN FREUND
Chief Revenue Officer



Super-serving
the largest accounts

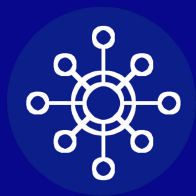


Partnering
to reach a
broader market



STRATEGIC ACCOUNT FOCUS

- ▶ Focus on our top 100 accounts
- ▶ Sales coverage model focused on new logo, target accounts



PARTNERS

- ▶ Launching a global channels team
- ▶ Increasing the number of enterprise level partnerships
- ▶ Better monetizing our existing partner marketplace

ROKU® Channel

Free + Premium TV

The Roku Channel

Thanks a Million
2020 | TV14 | 1 season

Roku Originals



Continue Watching



PARTNER MARKETPLACE



NPS INCREASE

+10

PTS

QoQ

+25

PTS

YoY

FINANCIALS

ROB NORECK
Chief Financial Officer

**1 ACCELERATING
REVENUE GROWTH**

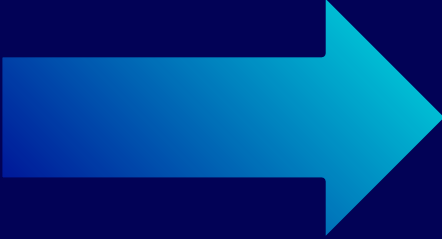
2 DRIVING SCALE

**3 ATTRACTIVE
LONG TERM MODEL**

1 ACCELERATING REVENUE GROWTH

BUSINESS MODEL FLEXIBILITY

95%+
SaaS Revenue Today



Revenue
Share
Model

Services

80%+
SaaS Revenue
in the Future

Other
Revenue
Models

REVENUE GROWTH DRIVERS

STRATEGIC ACCOUNTS
MORE END TO END SOLUTIONS
BUSINESS MODEL FLEXIBILITY

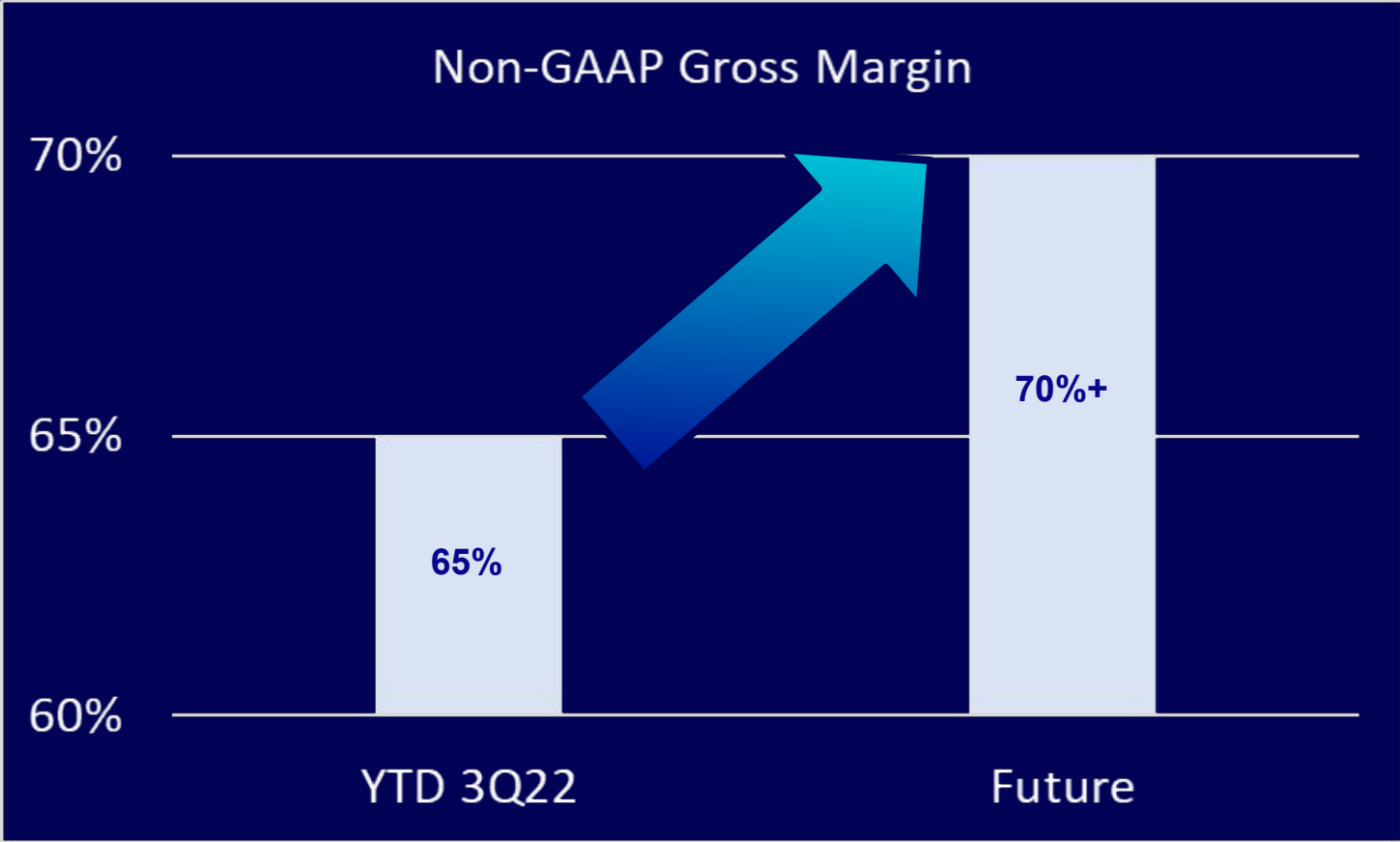
ARPU, NRR &
LARGER
CUSTOMERS



**REVENUE
GROWTH TO
10% +**

2 DRIVING SCALE

EXPANDING GROSS MARGINS



**ADJ. EBITDA
MARGIN TO
20% +**

STRONG BALANCE SHEET

\$ in millions

Dec 31, 2021

Sept 30, 2022

Cash and Cash Equivalents

\$45.7

\$31.3

Total Assets

\$216.5

\$231.2

Deferred Revenue

\$62.1

\$65.1

Total Debt

\$0.0

\$0.0

Total Liabilities

\$120.2

\$127.9

Total Stockholders Equity

\$96.3

\$103.3

3 ATTRACTIVE LONG TERM MODEL

ORGANIC LONG TERM MODEL

	<u>2022 Guide</u>	<u>Long Term Target</u>
Revenue Growth	0%	10% +
Non-GAAP Gross Margin	N/A	70% +
Operating Expenses	N/A	50%
Adjusted EBITDA %	8%-9%	20% +

Q&A

APPENDIX

Appendix - Non-GAAP Financial Measures

During this call and/or in this presentation, we have provided the non-GAAP financial measures of non-GAAP income (loss) from operations, non-GAAP net income (loss), adjusted EBITDA and non-GAAP diluted net income (loss) per share. 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. The non-GAAP financial results of 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 expenses, and other (benefit) expense. The non-GAAP financial results 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 expense, the amortization of acquired intangible assets, stock-based compensation expense, merger-related expenses, and other (benefit) expense. Merger-related expenses include fees incurred in connection with an acquisition. 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. A reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included in the following slide(s). The Company's earnings press releases containing such non-GAAP reconciliations can also be found on the Investors section of the Company's web site at <http://www.brightcove.com>.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Subscription and support revenue	\$ 51,814	\$ 49,226	\$ 156,403	\$ 148,667
Professional services and other revenue	2,130	2,937	5,367	9,785
Total revenue	53,944	52,163	161,770	158,452
Cost of revenue: (1) (2)				
Cost of subscription and support revenue	18,247	16,406	52,172	46,840
Cost of professional services and other revenue	1,816	2,247	5,575	8,205
Total cost of revenue	20,063	18,653	57,747	55,045
Gross profit	33,881	33,510	104,023	103,407
Operating expenses: (1) (2)				
Research and development	7,931	7,902	24,540	24,041
Sales and marketing	19,023	18,451	55,272	52,730
General and administrative	7,748	7,345	24,391	21,822
Merger-related	-	45	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Total operating expenses	34,702	33,743	106,099	96,928
(Loss) income from operations	(821)	(233)	(2,076)	6,479
Other (expense) income, net	(668)	(319)	(1,880)	(937)
(Loss) income before income taxes	(1,489)	(552)	(3,956)	5,542
Loss (benefit) from provision for income taxes	191	468	(338)	562
Net (loss) income	\$ (1,680)	\$ (1,020)	\$ (3,618)	\$ 4,980
Net (loss) income per share—basic and diluted				
Basic	\$ (0.04)	\$ (0.02)	\$ (0.09)	\$ 0.12
Diluted	(0.04)	(0.02)	(0.09)	0.12
Weighted-average shares—basic and diluted				
Basic	41,972	40,935	41,712	40,571
Diluted	41,972	40,935	41,712	42,237
(1) Stock-based compensation included in above line items:				
Cost of subscription and support revenue	\$ 132	\$ 157	\$ 385	\$ 501
Cost of professional services and other revenue	76	113	334	299
Research and development	378	408	2,035	1,261
Sales and marketing	1,015	583	2,857	2,082
General and administrative	1,245	1,072	4,109	3,091
Other expense (benefit)	-	-	249	-
(2) Amortization of acquired intangible assets included in the above line items:				
Cost of subscription and support revenue	\$ 376	\$ 335	\$ 1,156	\$ 1,006
Sales and marketing	417	407	1,246	1,245

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



	<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Operating activities		
Net (loss) income	\$ (3,618)	\$ 4,980
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	7,141	6,284
Stock-based compensation	9,969	7,234
Provision for reserves on accounts receivable	166	246
Changes in assets and liabilities:		
Accounts receivable	(1,871)	710
Prepaid expenses and other current assets	(1,351)	(914)
Other assets	38	(1,273)
Accounts payable	863	79
Accrued expenses	(242)	(4,402)
Operating leases	5,202	(903)
Deferred revenue	3,452	2,707
Net cash provided by operating activities	<u>19,749</u>	<u>14,748</u>
Investing activities		
Cash paid for acquisition, net of cash acquired	(13,215)	-
Purchases of property and equipment, net of returns	(8,617)	(1,625)
Capitalization of internal-use software costs	(9,678)	(4,657)
Net cash used in investing activities	<u>(31,510)</u>	<u>(6,282)</u>
Financing activities		
Proceeds from exercise of stock options	142	2,200
Deferred acquisition payments	-	(475)
Other financing activities	(50)	(1,375)
Net cash provided by financing activities	<u>92</u>	<u>350</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(2,722)</u>	<u>(1,003)</u>
Net (decrease) increase in cash and cash equivalents	(14,391)	7,813
Cash and cash equivalents at beginning of period	45,739	37,472
Cash and cash equivalents at end of period	<u>\$ 31,348</u>	<u>\$ 45,285</u>

Brightcove Inc.

Reconciliation of GAAP Gross Profit, GAAP Income (Loss) From Operations, GAAP Net (Loss) Income and GAAP Net (Loss) Income Per Share to
Non-GAAP Gross Profit, Non-GAAP Income From Operations, Non-GAAP Net Income and Non-GAAP Net Income Per Share

(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
GROSS PROFIT:				
GAAP gross profit	\$ 33,881	\$ 33,510	\$ 104,023	\$ 103,407
Stock-based compensation expense	208	270	719	800
Amortization of acquired intangible assets	376	335	1,156	1,006
Non-GAAP gross profit	\$ 34,465	\$ 34,115	\$ 105,898	\$ 105,213
INCOME (LOSS) FROM OPERATIONS:				
GAAP (loss) income from operations	\$ (821)	\$ (233)	\$ (2,076)	\$ 6,479
Stock-based compensation expense	2,846	2,333	9,720	7,234
Amortization of acquired intangible assets	793	742	2,402	2,251
Merger-related	-	45	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Non-GAAP income from operations	\$ 2,818	\$ 2,887	\$ 11,942	\$ 14,299
NET INCOME (LOSS):				
GAAP net (loss) income	\$ (1,680)	\$ (1,020)	\$ (3,618)	\$ 4,980
Stock-based compensation expense	2,846	2,333	9,720	7,234
Amortization of acquired intangible assets	793	742	2,402	2,251
Merger-related	-	45	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Non-GAAP net income	\$ 1,959	\$ 2,100	\$ 10,400	\$ 12,800
GAAP diluted net (loss) income per share	\$ (0.04)	\$ (0.02)	\$ (0.09)	\$ 0.12
Non-GAAP diluted net income per share	\$ 0.05	\$ 0.05	\$ 0.25	\$ 0.30
Shares used in computing GAAP diluted net (loss) income per share	41,972	40,935	41,712	42,237
Shares used in computing Non-GAAP diluted net income per share	42,148	41,736	42,080	42,237

Brightcove Inc.
Calculation of Adjusted EBITDA
 (in thousands)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net (loss) income	\$ (1,680)	\$ (1,020)	\$ (3,618)	\$ 4,980
Other expense, net	668	319	1,880	937
Loss (benefit) from income taxes	191	468	(338)	562
Depreciation and amortization	2,914	2,006	7,141	6,248
Stock-based compensation expense	2,846	2,333	9,720	7,234
Merger-related	-	45	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Adjusted EBITDA	<u>\$ 4,939</u>	<u>\$ 4,151</u>	<u>\$ 16,681</u>	<u>\$ 18,296</u>

**THANK
YOU**