

TD COWEN TECHNOLOGY, MEDIA & TELECOM CONFERENCE

MAY 31, 2023



PRESENTERS



MARC DEBEVOISE
CEO & Board Director



ROB NORECK
EVP & Chief Financial Officer

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 second fiscal quarter of 2023 and the full year 2023, 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.

OUR BUSINESS, VISION & STRATEGY

MARC DEBEVOISE
CEO & Board Director

INVESTMENT HIGHLIGHTS

-  Industry-defining, software-based technology leader known for quality, reliability, & experience in managing all things streaming
-  End-user (streaming viewer) and end-market (media entities and enterprises) trends primed to deliver meaningful growth opportunity
-  Global reach and diversified client-base, with significant opportunity for expansion in multiple markets
-  Clear product and services innovation path, funded via existing operations
-  New expert, experienced management team driving transformation
-  Strong recurring SaaS revenue model and debt-free balance sheet

*Undervalued company with growth opportunity
Revenue, Adj. EBITDA, FCF & potential shareholder returns*



VISION

The **most trusted streaming technology** company in the world.

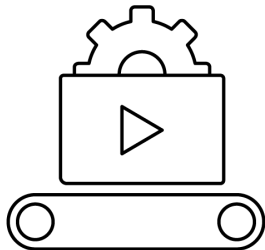


MISSION

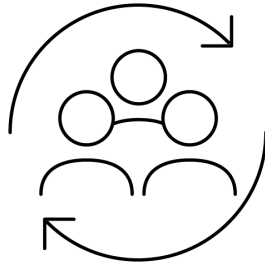
To deliver the highest quality, most scalable and secure streaming technology platform and solutions for any company, brand or creator **to own their digital future.**

OUR STREAMING SOLUTIONS

enable companies to:



**MANAGE,
DISTRIBUTE &
MONETIZE
CONTENT**



**COMMUNICATE
& ENGAGE WITH
AUDIENCES**



**MARKET & SELL
PRODUCTS &
SERVICES**



LEADING STREAMING PLATFORM

with solutions for each business need

Media Studio

MEDIA COMPANIES & CONTENT CREATORS

Maximize revenue & reduce costs

Marketing & Communications Studio

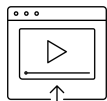
BUSINESS OR BRAND

Drive more pipeline, grow brand awareness and communicate with employees

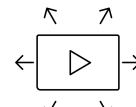
Brightcove Video Cloud Platform



Ingest and manage video content



Create sites, apps, channels and experiences



Distribute content across devices & platforms



Analyze to improve performance & monetization



Expert Advisory Services



MEDIA CLIENTS

BRIGHTCOVE®



Forbes



Premier
League

sky News Corp



USGA®

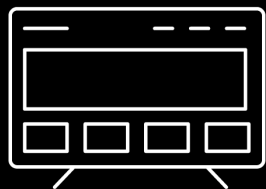


A24

Audacy

500+ MORE GLOBALLY

Deloitte. 3M

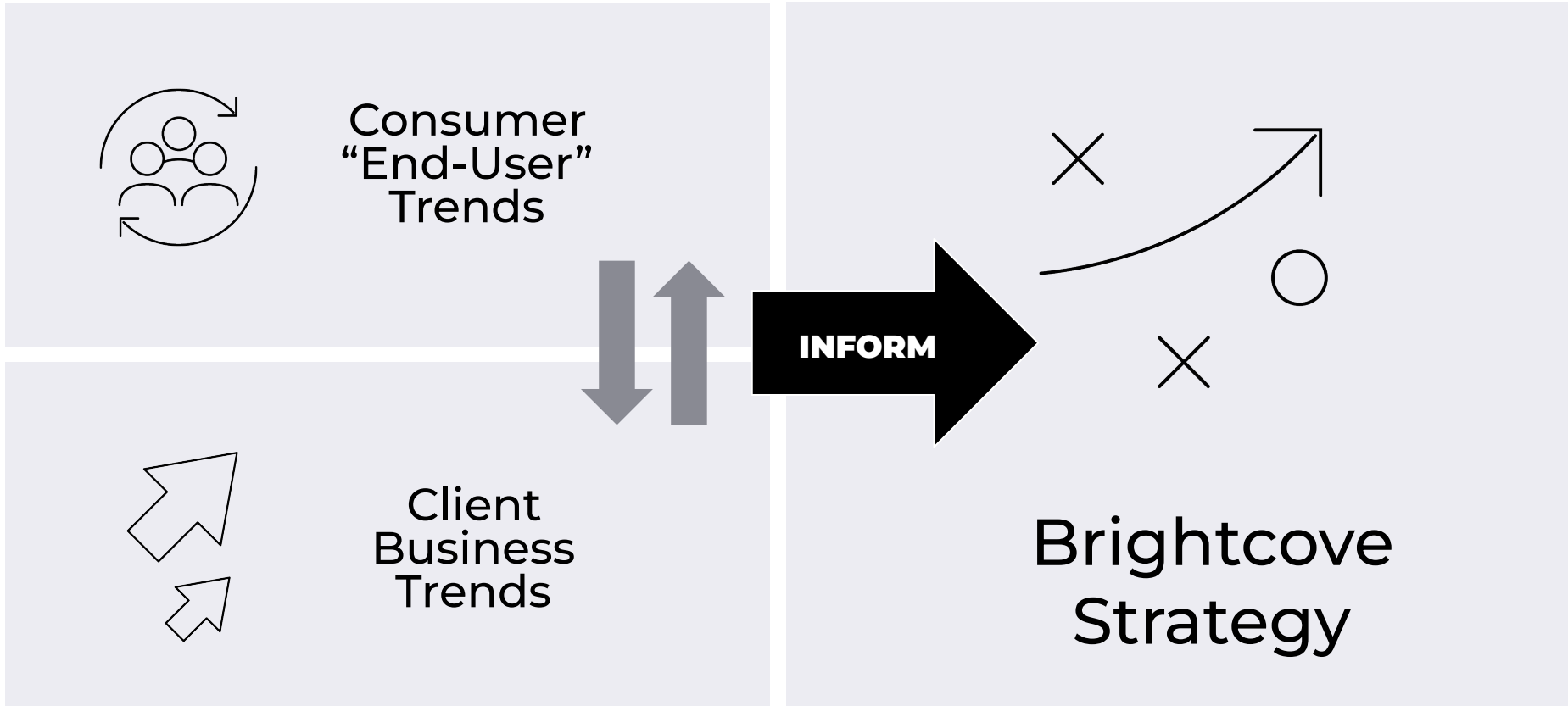


**ENTERPRISE
CLIENTS**

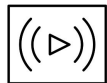


1,500+ MORE GLOBALLY

MARKET DRIVEN STRATEGY



STREAMING IS A LARGE, GROWING MARKET



90%+ of Global Internet users stream video weekly and streaming video accounts for **66% of total Internet traffic** in 1H22 (up from 53% YoY)



Global time spent viewing streaming video **increased 14%** from '21 to '22 globally



Global streaming viewership **growth** expected at **mid-single-digits** through '26



Average user in the U.S. spends **~3+ hours per day** streaming digital video



89% of U.S. households have at least one streaming service with average accessing **6.8 video platforms** in '22 (**+25% YoY**)

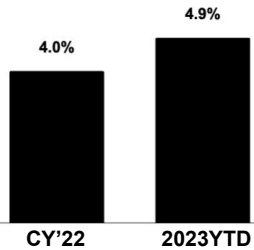


Streaming revenues (subscriptions and advertising) are expected to reach **~\$250B by '26**

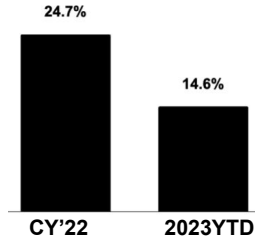
BIG MEDIA STREAMING MARKET

Big Media Streamer Sub Growth Moderating YoY

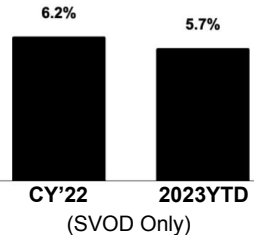
NETFLIX



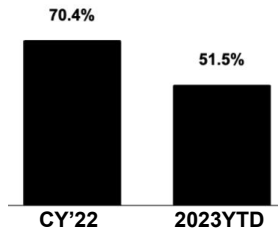
Disney+



hulu



Paramount+



Source: 10Q and 10K SEC Company Filings

...through 2022



Massive content spend acceleration



Over invested on in-house tech



Unsustainable business model

2022 and beyond...



Service & company consolidations



Seeking tech efficiency & savings

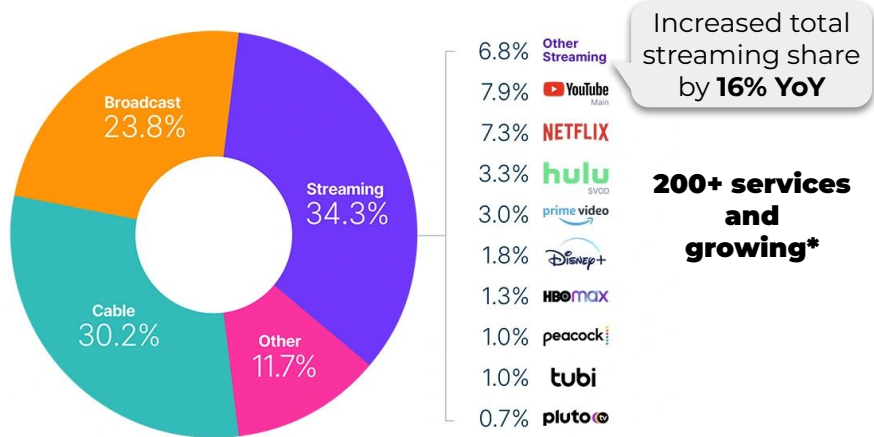


Focus on core competency = content

Large media streamers set to move “tech inside” to “tech outsourced”

NEXT TIER EXPANDING & THRIVING

Streaming is Largest Viewing Method
Large/Growing Share From "Others"



Consumer Linear vs Streaming Viewing

Source: Nielsen Jan, Feb 2023. *200+ across US, UK, Canada, India, Australia, and China

Regional Leaders Globally



Leading Global Digital Media



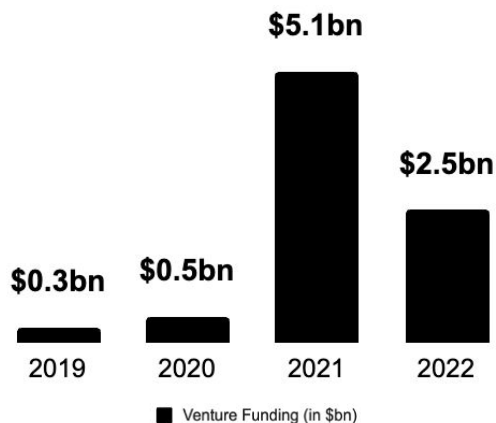
Targeted Audience Services



Global services growth will be driven by dozens to hundreds, not just a few

CREATORS & PRODUCERS WILL GO DIRECT

Venture Funding To Support Creators Continues in the Billions of \$'s



Creators Of All Levels Are Actively Monetizing Their Content

Audience Size (# Followers)	# Creators Monetizing Content
Recreational (0-1K)	23M
Semi-Pro (1K - 10K)	139M
Pro (10K - 100K)	41M
Expert (100K - 1M)	2M
Expert+ (1M+)	2M

Platforms Competing For Creators But Still Sharing <50%

- Snapchat**: paying out up to **\$15k / day** to top creators through ad sharing
- TikTok**: announced **\$1bn** fund to pay its creators as well as **ad sharing**
- YouTube**: **>\$30B** paid to >2M Youtube creators alone over the last 3 years
- Meta**: announced **\$1B** investment in creator monetization through 2022

Creators looking for new/off-platform growth ... some will find it 'direct'

FILM & TV PRODUCERS WILL BE NEXT

THE PAST

SHOW PRODUCER



STUDIO



NETWORK



CABLE/
SAT OPERATOR



CONSUMER

THE PRESENT

SHOW PRODUCER



NETFLIX



CONSUMER

THE FUTURE

BRANDS/
MARKETERS /
CREATORS



**STREAMING
TECHNOLOGY/
PLATFORM**



CONSUMER

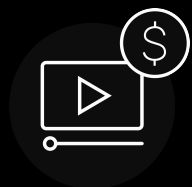
Conan O'Brien Is Launching His First Free Streaming Channel Exclusively on Samsung TV Plus

By Todd Spangler



Streaming = new opportunities for producers with clear audiences

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



73%

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

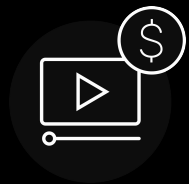


88%

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

Video is informing and driving more purchase decisions

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

Video drives the most impact in the buying process

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

Video is THE medium for employee communications

END-MARKET DYNAMICS

Streaming continues to grow globally

MEDIA ENTITIES

- ▶ Larger media companies returning to outsourcing
- ▶ Next-tier of services can and will thrive
- ▶ Creators/Producers will go direct

ENTERPRISES

- ▶ Streaming video a key tool for marketers to drive:
 - Lead generation
 - Purchase decisions
 - Direct transactions
 - Revenue
- ▶ Streaming video as THE medium for employee and stakeholder communications

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention



GO TO MARKET

Better & More Efficiently Capture
Addressable Market




STRATEGIC INITIATIVES





GTM-FOCUSED

-  GTM Upmarket Focus Shift
-  Partnerships & Partner Marketplace
-  Broadening Services / Advisory Expansion
-  Producer / Creator Economy

MEDIA-FOCUSED

-  Brightcove Ad Monetization & Insights
-  Cloud Playout / FAST
-  QoE
-  CAE & CDN Switching

ENTERPRISE-FOCUSED

-  Communications Studio
-  Accelerate Enterprise Solutions via Integrations
-  Digital Content Advisory Services
-  Content as a Service

PRODUCT & PARTNERSHIP EXPANSIONS

MEDIA



BRIGHTCOVE AD MONETIZATION

Magnite  SpringServe



FREE AD-SUPPORTED STREAMING TV (FAST CHANNELS)

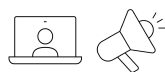
 Frequency **Roku**



QUALITY OF EXPERIENCE ANALYTICS & INSIGHTS

- ▶ Revenue driving (and diversifying)
- ▶ Easing the launch of new businesses
- ▶ Expanding distribution
- ▶ Delivering data, analytics and insights

ENTERPRISE



Communications Studio



eCommerce Integrations



sales cloud



shopify

- ▶ New or expanded use cases for broader penetration in enterprises
- ▶ Easing the launch of new businesses and marketing/sales channels

BUSINESS MODEL LEVERAGE



ARPU

LARGER CUSTOMERS

RETENTION

Revenue Growth

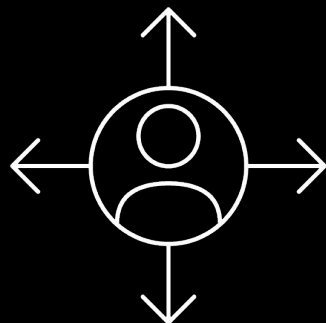
EBITDA Margin
Expansion

Meaningful FCF
generation

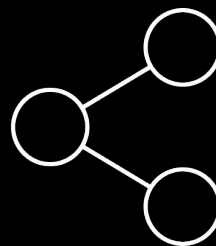
OUR GOALS



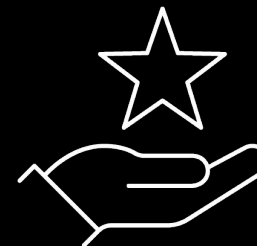
GROWTH



SCALE



DIVERSIFICATION



EXCELLENCE

FINANCIALS

ROB NORECK
Chief Financial Officer

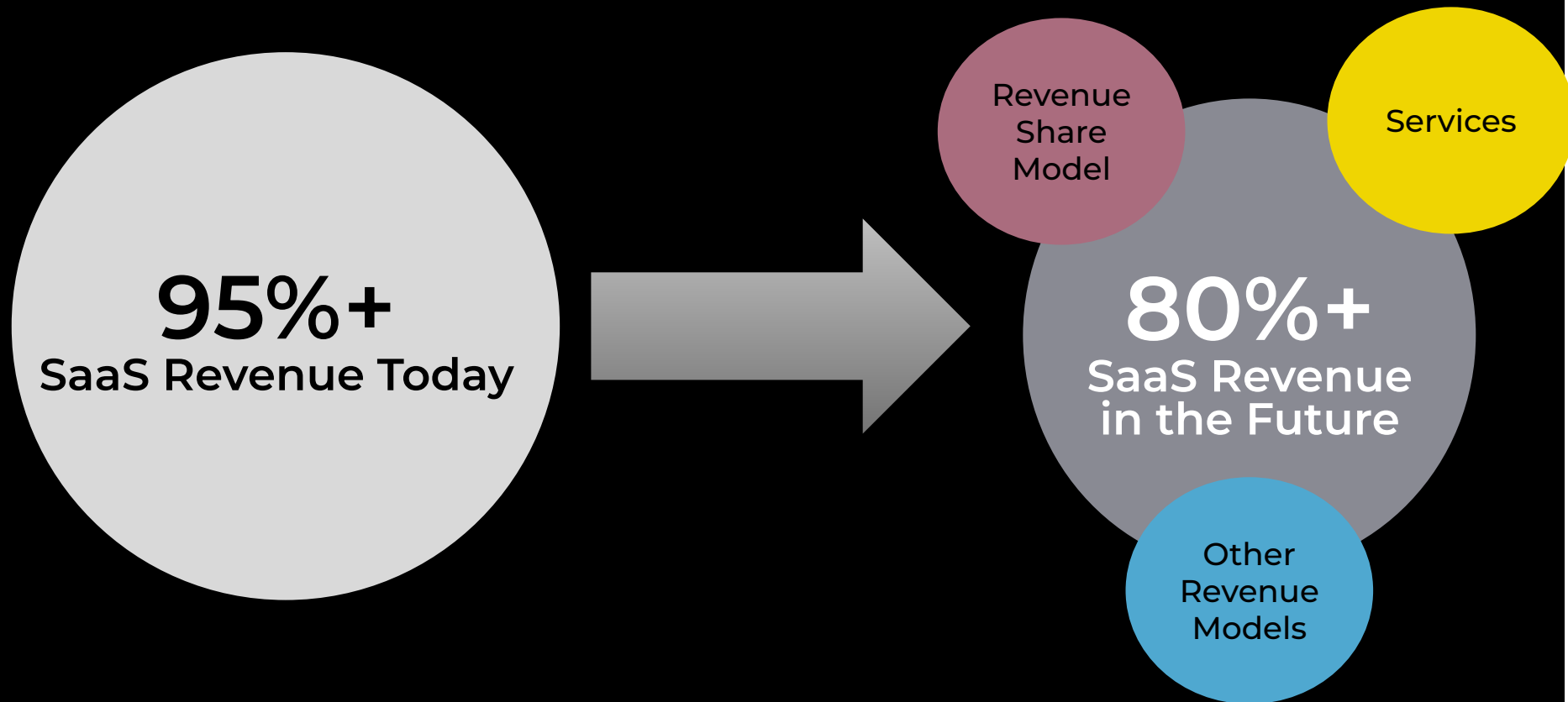
**1 DELIVERING
REVENUE GROWTH**

2 DRIVING SCALE

**3 ATTRACTIVE
LONG TERM MODEL**

1 DELIVERING REVENUE GROWTH

BUSINESS MODEL FLEXIBILITY



REVENUE GROWTH DRIVERS



STRATEGIC ACCOUNTS
MORE END TO END SOLUTIONS
BUSINESS MODEL FLEXIBILITY



ARPU, NRR &
LARGER
CUSTOMERS

NEW BUSINESS GROWTH

Q1'23

Q4'22

+325%
YoY

+40%
YoY

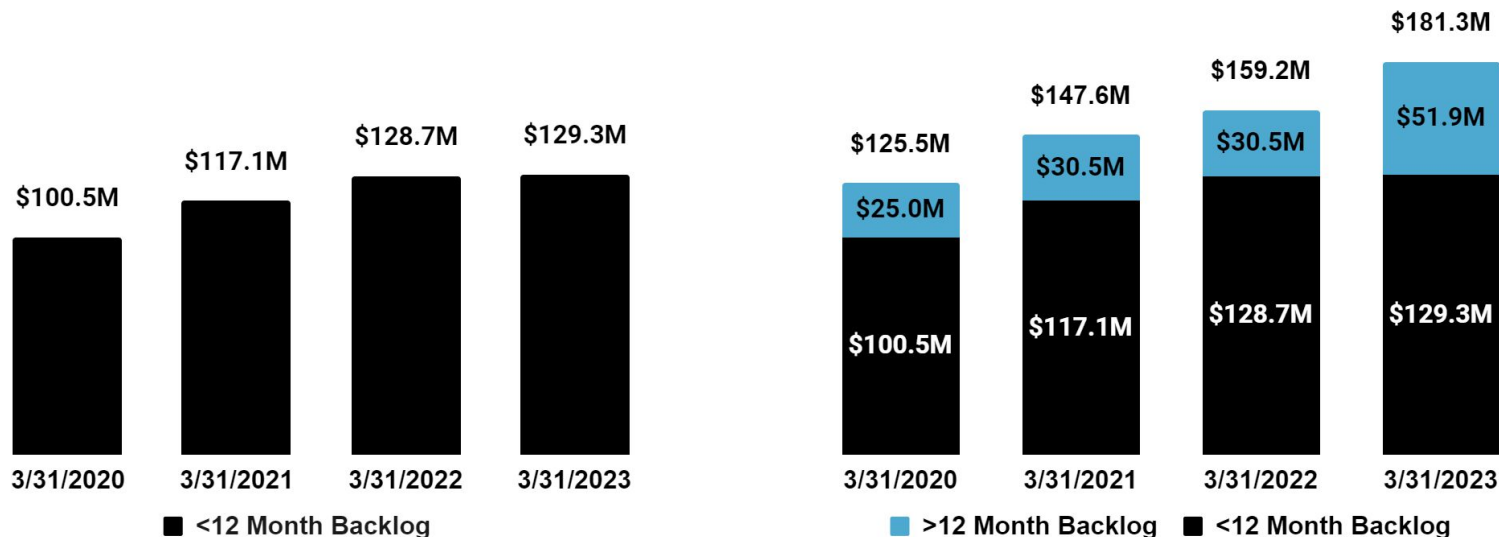
+35% YoY
EXCLUDING LARGEST DEAL

Avg. Contract Value Up **3x** YoY

SUBSCRIPTION BACKLOG GROWTH

12-MONTH

TOTAL



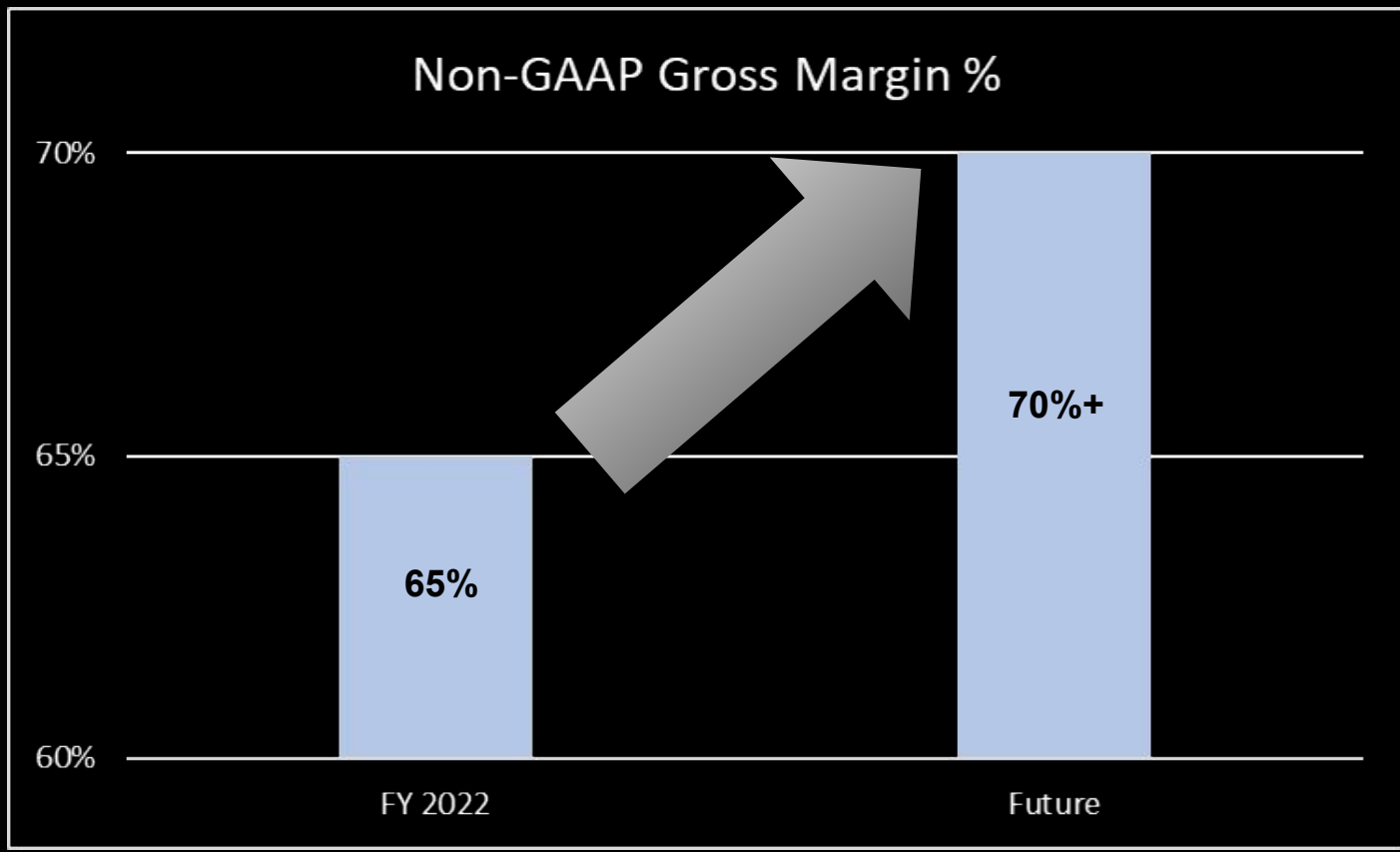
Record backlog represents meaningful long-term opportunity



**REVENUE
GROWTH TO
10% +**

2 DRIVING SCALE

EXPANDING GROSS MARGINS



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

3 ATTRACTIVE LONG TERM MODEL







GUIDANCE

	Q2'23		FY'23	
	LOW	HIGH	LOW	HIGH
Revenue	\$50M	\$51M	\$204M	\$209M
Non-GAAP Op Loss	(\$1.3)M	(\$0.3)M	\$3M	\$6M
Adjusted EBITDA	\$1.8M	\$2.8M	\$16M	\$19M
Non-GAAP EPS	(\$0.04)	(\$0.01)	\$0.03	\$0.10

ORGANIC LONG TERM MODEL

	<u>2023 Guide</u>	<u>Implied 2H 2023 Guide</u>	<u>Long Term Target</u>
Revenue Growth	(1-3)%	0-6%	10% +
Non-GAAP Gross Margin	N/A	N/A	70% +
Operating Expenses	N/A	N/A	50%
Adjusted EBITDA %	7%-9%	15%+	20% +

INVESTMENT HIGHLIGHTS

-  Industry-defining, software-based technology leader known for quality, reliability, & experience in managing all things streaming
-  End-user (streaming viewer) and end-market (media entities and enterprises) trends primed to deliver meaningful growth opportunity
-  Global reach and diversified client-base, with significant opportunity for expansion in multiple markets
-  Clear product and services innovation path, funded via existing operations
-  New expert, experienced management team driving transformation
-  Strong recurring SaaS revenue model and debt-free balance sheet

*Undervalued company with growth opportunity
Revenue, Adj. EBITDA, FCF & potential shareholder returns*

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>.

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



	Three Months Ended March 31,	
	2023	2022
Revenue:		
Subscription and support revenue	\$ 47,102	\$ 51,601
Professional services and other revenue	1,961	1,778
Total revenue	<u>49,063</u>	<u>53,379</u>
Cost of revenue: (1) (2)		
Cost of subscription and support revenue	18,265	16,982
Cost of professional services and other revenue	2,002	1,998
Total cost of revenue	<u>20,267</u>	<u>18,980</u>
Gross profit	<u>28,796</u>	<u>34,399</u>
Operating expenses: (1) (2)		
Research and development	9,866	8,237
Sales and marketing	19,465	18,288
General and administrative	10,064	8,089
Merger-related	145	594
Other expense	-	1,149
Total operating expenses	<u>39,540</u>	<u>36,357</u>
Loss from operations	(10,744)	(1,958)
Other expense, net	<u>(543)</u>	<u>(387)</u>
Loss before income taxes	(11,287)	(2,345)
Loss (benefit) from provision for income taxes	427	(708)
Net loss	<u>\$ (11,714)</u>	<u>\$ (1,637)</u>
Net loss per share—basic and diluted		
Basic	\$ (0.28)	\$ (0.04)
Diluted	<u>(0.28)</u>	<u>(0.04)</u>
Weighted-average shares—basic and diluted		
Basic	42,528	41,436
Diluted	42,528	41,436
(1) Stock-based compensation included in above line items:		
Cost of subscription and support revenue	\$ 138	\$ 109
Cost of professional services and other revenue	100	119
Research and development	688	722
Sales and marketing	1,169	943
General and administrative	1,448	1,337
Other expense	-	249
(2) Amortization of acquired intangible assets included in the above line items:		
Cost of subscription and support revenue	\$ 601	\$ 404
Sales and marketing	416	413

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



	Three Months Ended March 31,	
	2023	2022
Operating activities		
Net loss	\$ (11,714)	\$ (1,637)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	3,949	2,061
Stock-based compensation	3,543	3,479
Provision for reserves on accounts receivable	67	106
Changes in assets and liabilities:		
Accounts receivable	(14,713)	(3,802)
Prepaid expenses and other current assets	(986)	(1,550)
Other assets	314	54
Accounts payable	956	347
Accrued expenses	(3,999)	(1,980)
Operating leases	(81)	705
Deferred revenue	10,032	1,527
Net cash used in operating activities	<u>(12,632)</u>	<u>(690)</u>
Investing activities		
Cash paid for acquisition, net of cash acquired	-	(13,176)
Purchases of property and equipment, net of returns	(952)	(1,884)
Capitalization of internal-use software costs	(3,930)	(2,882)
Net cash used in investing activities	<u>(4,882)</u>	<u>(17,942)</u>
Financing activities		
Proceeds from exercise of stock options	-	100
Deferred acquisition payments	(1,700)	-
Other financing activities	(225)	-
Net cash (used in) provided by financing activities	<u>(1,925)</u>	<u>100</u>
Effect of exchange rate changes on cash and cash equivalents	23	(502)
Net decrease in cash and cash equivalents	(19,416)	(19,034)
Cash and cash equivalents at beginning of period	31,894	45,739
Cash and cash equivalents at end of period	<u>\$ 12,478</u>	<u>\$ 26,705</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 (Loss) Income From Operations, Non-GAAP Net (Loss) Income and Non-GAAP Net (Loss) Income Per Share
(in thousands, except per share amounts)**

	Three Months Ended March 31,	
	2023	2022
GROSS PROFIT:		
GAAP gross profit	\$ 28,796	\$ 34,399
Stock-based compensation expense	238	228
Amortization of acquired intangible assets	601	404
Restructuring	-	-
Non-GAAP gross profit	<u>\$ 29,635</u>	<u>\$ 35,031</u>
(LOSS) INCOME FROM OPERATIONS:		
GAAP loss from operations	\$ (10,744)	\$ (1,958)
Stock-based compensation expense	3,543	3,230
Amortization of acquired intangible assets	1,017	817
Merger-related	145	594
Restructuring	427	-
Other expense	-	1,149
Non-GAAP (loss) income from operations	<u>\$ (5,612)</u>	<u>\$ 3,832</u>
NET (LOSS) INCOME:		
GAAP net loss	\$ (11,714)	\$ (1,637)
Stock-based compensation expense	3,543	3,230
Amortization of acquired intangible assets	1,017	817
Merger-related	145	594
Restructuring	427	-
Other expense	-	1,149
Non-GAAP net (loss) income	<u>\$ (6,582)</u>	<u>\$ 4,153</u>
GAAP diluted net loss per share	<u>\$ (0.28)</u>	<u>\$ (0.04)</u>
Non-GAAP diluted net (loss) income per share	<u>\$ (0.15)</u>	<u>\$ 0.10</u>
Shares used in computing GAAP diluted net loss per share	42,528	41,436
Shares used in computing Non-GAAP diluted net income per share	42,528	41,852

Brightcove Inc.
Calculation of Adjusted EBITDA
(in thousands)

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (11,714)	\$ (1,637)
Other expense, net	543	387
Loss (benefit) from income taxes	427	(708)
Depreciation and amortization	3,949	2,061
Stock-based compensation expense	3,543	3,230
Merger-related	145	594
Restructuring	427	-
Other expense	-	1,149
Adjusted EBITDA	<u>\$ (2,680)</u>	<u>\$ 5,076</u>

**THANK
YOU**