

Q1'23 EARNINGS

May 3, 2023



TODAY'S PRESENTERS

BRIGHTCOVE



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.

Q1 FINANCIAL RESULTS

\$49.1M

Total revenue

(\$2.7M)

Adj. EBITDA

COST SAVINGS ACTIONS

ANNUAL RUN-RATE

\$13M+

Total Expense

2023 IN-YEAR

\$10M+

Total Expense

- ▶ Approximate 10% reduction in headcount
- ▶ Meaningful marketing expense reduction
- ▶ Other expenses reduced

ORGANIC LONG TERM TARGET MODEL

Long Term Target

Revenue Growth	10% +
Non-GAAP Gross Margin	70% +
Operating Expenses	50%
Adjusted EBITDA %	20% +

NEW BUSINESS GROWTH

Q1'23

Q4'22

+325%
YoY

+40%
YoY

+35% YoY
EXCLUDING LARGEST DEAL

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

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market



PRODUCT PORTFOLIO ADDITIONS

MEDIA

  **Brightcove Ad Monetization**

  **FAST with Frequency**

  **Quality of Experience
Analytics & Insights**

- ▶ Revenue driving (and diversification)
- ▶ Ease of launch of new businesses and distribution
- ▶ Delivering data, analytics and insights

ENTERPRISE

  **Communications Studio**

  **eCommerce Integrations**

- ▶ New or expanded use cases for broader penetration in enterprises
- ▶ Ease of launch of new businesses or channels

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market



END-MARKET DYNAMICS

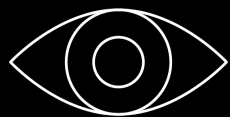
Streaming usage continues to grow globally

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



VISION

The most trusted streaming
technology company in the
world.

FINANCIALS

ROB NORECK
Chief Financial Officer

REVENUE

\$49.1
MILLION

Down
8.1%
YoY

GAAP NET LOSS

(\$11.7)
MILLION

ADJUSTED EBITDA

(\$2.7)
MILLION

Down
153%
YoY

REVENUE

\$49.1

MILLION

Down
8.1%
YoY

GAAP NET LOSS AND EPS

(\$11.7)

MILLION

EPS (\$0.28)

ADJUSTED EBITDA

(\$2.7)

MILLION

(5.5%) of Revenue



Down
153%
YoY

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



Q&A

**THANK
YOU**

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, 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. 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, restructuring 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, restructuring and other (benefit) expense. Merger-related expenses include fees incurred in connection with an acquisition. Revenue and adjusted EBITDA on a constant currency basis reflect our revenues and adjusted EBITDA using exchange rates used for Brightcove's Fiscal Year 2023 outlook on Brightcove's press release on February 23, 2023. 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 Balance Sheets
(in thousands)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,478	\$ 31,894
Accounts receivable, net of allowance	40,623	26,004
Prepaid expenses and other current assets	21,299	19,422
Total current assets	74,400	77,320
Property and equipment, net	42,155	39,677
Operating lease right-of-use asset	18,025	18,671
Intangible assets, net	9,261	10,279
Goodwill	74,859	74,859
Other assets	6,750	7,007
Total assets	<u>\$ 225,450</u>	<u>\$ 227,813</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 13,014	\$ 11,326
Accrued expenses	21,692	26,877
Operating lease liability	4,218	4,157
Deferred revenue	71,537	61,597
Total current liabilities	110,461	103,957
Operating lease liability, net of current portion	19,740	20,528
Other liabilities	959	981
Total liabilities	131,160	125,466
Stockholders' equity:		
Common stock	43	42
Additional paid-in capital	318,293	314,825
Treasury stock, at cost	(871)	(871)
Accumulated other comprehensive loss	(1,405)	(1,593)
Accumulated deficit	(221,770)	(210,056)
Total stockholders' equity	94,290	102,347
Total liabilities and stockholders' equity	<u>\$ 225,450</u>	<u>\$ 227,813</u>

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	49,063	53,379
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	20,267	18,980
Gross profit	28,796	34,399
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	39,540	36,357
Loss from operations	(10,744)	(1,958)
Other expense, net	(543)	(387)
Loss before income taxes	(11,287)	(2,345)
Loss (benefit) from provision for income taxes	427	(708)
Net loss	\$ (11,714)	\$ (1,637)
Net loss per share—basic and diluted		
Basic	\$ (0.28)	\$ (0.04)
Diluted	(0.28)	(0.04)
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

**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	\$ (2,680)	\$ 5,076

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

	Three Months Ended March 31,	
	2023	
Total revenue	\$	49,063
Constant currency adjustment		(144)
Total revenue on a constant currency basis	\$	48,919
	Three Months Ended March 31,	
	2023	
Adjusted EBITDA	\$	(2,680)
Constant currency adjustment		(32)
Adjusted EBITDA on a constant currency basis	\$	(2,712)