

19TH ANNUAL

**NEEDHAM
TECHNOLOGY,
MEDIA &
CONSUMER
CONFERENCE**

MAY 16, 2024

TODAY'S PRESENTERS



MARC DEBEVOISE
CEO & Board Director



JOHN WAGNER
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 2024 and the full year 2024, expected revenue, profitability and 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 macroeconomic 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. A reconciliation schedule shows GAAP versus non-GAAP results currently available in our press release issued after the market closed today, which can be found on our website at www.brightcove.com.

OUR BUSINESS, VISION & STRATEGY

DAN O'NEILL
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 & services innovation path, amplified by AI-driven future, 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 in Revenue, Adj. EBITDA, FCF & shareholder returns



VISION

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

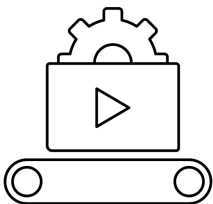


MISSION

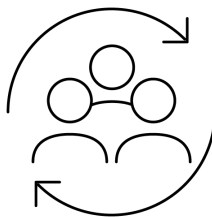
To deliver the highest quality, most scalable and secure streaming technology platform and solutions for any company, brand or creator **to own their digital future.**

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

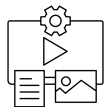
Maximize revenue & reduce costs

Marketing & Communications Studio

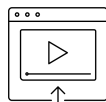
BUSINESS OR BRAND

Drive more pipeline, grow brand awareness and communicate with employees

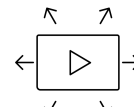
Brightcove Video Cloud Platform



Ingest and manage video content



Create sites, apps, channels and experiences



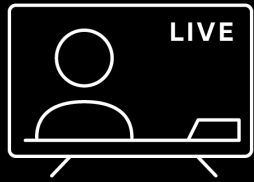
Distribute content across devices & platforms



Analyze to improve performance & monetization



Expert Advisory Services



MEDIA CLIENTS

BRIGHTCOVE®

yahoo!



News Corp



USGA®



الدوري السعودي للمحترفين



A24



sky

BBC

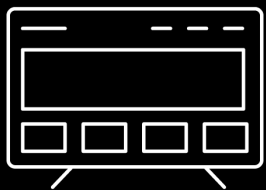
coupang

J:COM



CNET

~500 MORE GLOBALLY



ENTERPRISE CLIENTS

BRIGHTCOVE®

APOLLO

AARP®

3M

DELL



MOTOROLA

vmware®

paloalto®
NETWORKS

servicenow

DocuSign

+tableau



Cigna.



United
Healthcare



Wendy's

SUBWAY®

Johnson & Johnson

Deloitte.

McKinsey
& Company

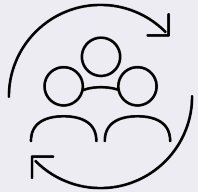


SUBARU

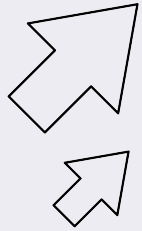
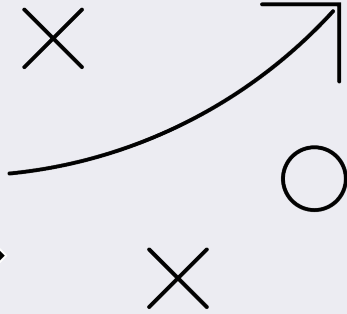
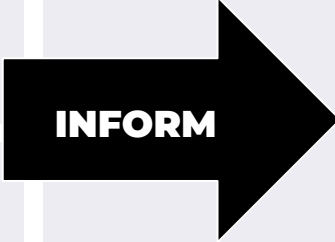
~1,500 MORE GLOBALLY

MARKET DRIVEN

STRATEGY



Consumer
"End-User"
Trends



Client
Business
Trends

Brightcove
Strategy

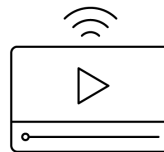
STREAMING CONTINUES TO GROW

a trend that is set to continue



+21%

Increase year-over-year in streaming viewership



+10%

Streaming's share of viewership over Broadcast & Cable

Streaming will continue to be the battlefield for attention in media

INDUSTRY IN TRANSFORMATION

in shift towards to profitability

Go-to-Market Transformation:

- ▶ New monetization models
- ▶ More modalities
- ▶ More content types
- ▶ More distribution channels and partnerships

Cost Transformation

- ▶ Programming optimization through analytics/insights, AI & Data
- ▶ Reduced in-house tech spending in favor of outsourcing



ESPN, Fox and Warner Bros. Discovery to launch joint sports streaming platform this year

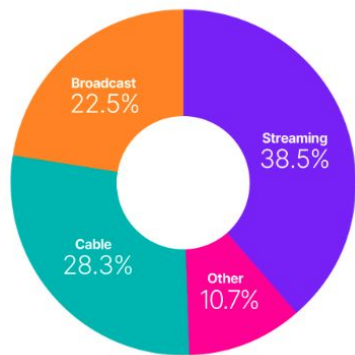
PUBLISHED TUE, FEB 6 2024 4:30 PM EST | UPDATED WED, FEB 7 2024 2:27 PM EST

Larger streaming entities will continue their transformation

MORE CHANNELS & SERVICES

as larger companies shift priorities

LARGE NUMBER OF "NEXT SET" SERVICES



Examples:

REGIONAL LEADERS AROUND THE GLOBE



Big company content licensing freedom + global ambition pull back = more global steaming services

VIDEO IS KEY

To driving **sales and revenue**



87%

of marketers report being able to directly attribute sales back to their videos marketing efforts



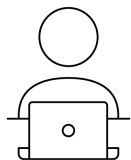
82%

of consumers report having bought a good/service after watching a video

Streaming video is key to driving Return on Investment for Marketers

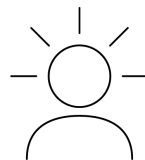
REMOTE WORK

Is here to stay



33%

of the U.S. workforce
working in a hybrid /
remote arrangement



78%

of surveyed employees who
prefer remote / hybrid work
environments

Streaming video is key to keeping distributed workforces engaged

END-MARKET DYNAMICS

Streaming continues to grow globally

MEDIA ENTITIES

- ▶ Larger entities will continue to move pieces to **“tech outsourced”** vs. **“tech insourced”**
- ▶ **Next-tier of services** can and will thrive ... globally
- ▶ **Business model evolutions** (e.g. subscription, advertising, hybrid, live, FAST, vertical video, channel stores, bundles, etc.) will continue to drive growth and need for new solutions

ENTERPRISES

- ▶ **Streaming video is a key tool for marketers** to drive: Lead-gen, Purchase decisions, Transactions & Revenue
- ▶ Streaming video continues to be **required for employee and stakeholder communications**, both live and VOD/asynchronously
- ▶ Additional use-cases will be driven and supported by video

OUR GROWTH STRATEGY

GO-TO-MARKET

DRIVE LARGER OPPORTUNITIES VIA DIRECT SALES

BUILD LONG-TERM UPGRADE PATHS FOR CUSTOMERS

PARTNER TO SOLVE & REACH MORE

SOLUTIONS

DELIVER MORE COMPLETE SOLUTIONS

EXPAND OUR USE-CASES

Goals to create new & larger opportunities, improve retention, and better & more efficiently capture addressable market

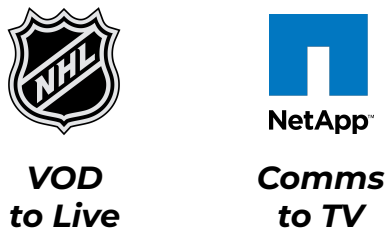
STRATEGY IN ACTION

GO-TO-MARKET

UPMARKET FOCUS



UPGRADE PATHS



PARTNERS



SOLUTIONS

MORE COMPLETE

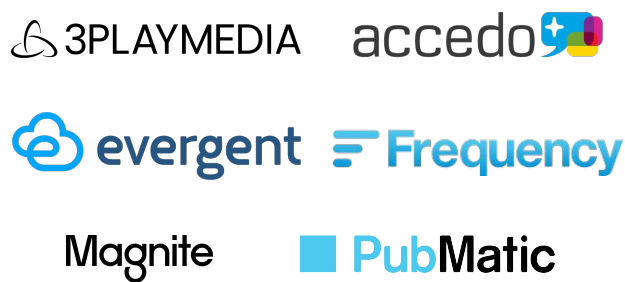


USE-CASES MARKETING STUDIO

COMMUNICATIONS STUDIO



PARTNERS



AI @ BRIGHTCOVE: STRATEGY

OPTIMIZATION

Deliver solutions to **optimize our customers' business**

(revenue, audience, content)

Example: *Analytics & Insights*

Find tools/solutions our teams leverage to **optimize our business**

EFFICIENCY

Deliver solutions to **drive efficiency for our customers**

(lower costs, higher quality, fewer errors)

Example: *Context-Aware Encoding*

Find tools/solutions our teams leverage to **save us cost and time**

AI @ BRIGHTCOVE: DIFFERENTIATION

SECURE DATA & CONTENT INCLUSION

Partner with leading
AI engines

Control the data & content
used in all instances

INSIGHTS to ACTIONS to AUTOMATION

Using continuously
learning systems

Platform that executes for you,
while continuously learning

*Building a **Secure** and **Intelligent** platform for our customers*

BRIGHTCOVE®

+

aws
The image shows the AWS logo, which consists of the lowercase letters 'aws' in white, with a white arrow pointing to the right below the letters.

“ With Amazon Q, Brightcove is harnessing the **power of its data platform and generative AI** on AWS to improve customer service and experiences while enabling its teams to work more productively and efficiently. ”

Matt GarmanSVP Sales, Marketing, and Global Services
AWS

BUSINESS MODEL LEVERAGE



ARPU

LARGER CUSTOMER
RELATIONSHIPS

LONGER
CONTRACTS

Consistent Revenue
Growth

Retention
Improvement

Gross & EBITDA
Margin Expansion

Meaningful FCF
Generation

FINANCIALS

JOHN WAGNER
Chief Financial Officer

SUMMARY METRICS: Q1 2024

REVENUE

\$50.5
MILLION

Up
3%
YoY ↑

GAAP NET INCOME

\$1.6
MILLION

ADJUSTED EBITDA

\$5.0
MILLION

10%
of
revenue

~640
Employees

~2k
Customers

2024 FINANCIAL FOCUS



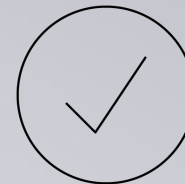
Focused investments on most promising opportunities **to drive consistent revenue growth**



Continue to deliver substantial improvements in **profitability**



Continued investment in sales & marketing and product **innovation**



Delivering on our near-term targets while **building** for our long-term ones

RETURNING TO CONSISTENT REVENUE GROWTH

REVENUE GROWTH: NEW BUSINESS

NEW BUSINESS BOOKINGS

+55%

YoY ('22-'23)

NEW BUSINESS DEAL SIZE

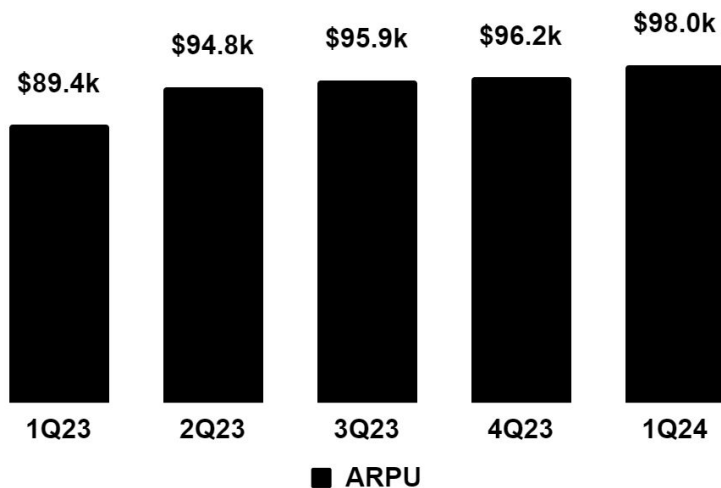
+200%

YoY ('22-'23)

New business strength and increasing deal sizes (upmarket) showing potential to drive consistent revenue growth

REVENUE GROWTH: UPMARKET FOCUS

ARPU QoQ GROWTH



\$98k

**Tied for All-time
High**

Q1'24

+10% YoY

Moving upmarket highlights product capabilities to win and retain larger customers and drive consistent revenue growth

REVENUE GROWTH: INCREASING COMMITMENT

TOTAL SUBSCRIPTION BACKLOG

+19%

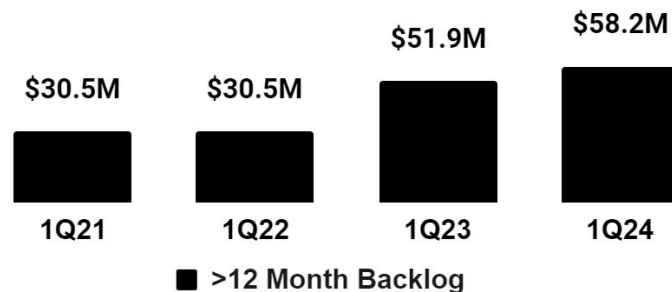
YoY (4Q22 - 4Q23)

New All Time High in 1Q24

\$185.4M

> 12 MONTHS BACKLOG

Growth in Multi-year Deals Bookings driving increased Backlog over 12 months



Increasing subscription commitment has potential to increase NRR and improve visibility toward consistent revenue growth

REVENUE GROWTH: TARGETS

\$50.5M

1Q24



\$195M-\$198M

GUIDANCE

FY 2024

TARGETS

- ▶ Near-term: Return to **positive single digit Revenue growth**
- ▶ Long-term: **10%+ Revenue growth**

Long term: GTM strategic changes, operational execution and S&M and product investments support a return to consistent revenue growth

DELIVERING PROFITABILITY IMPROVEMENTS

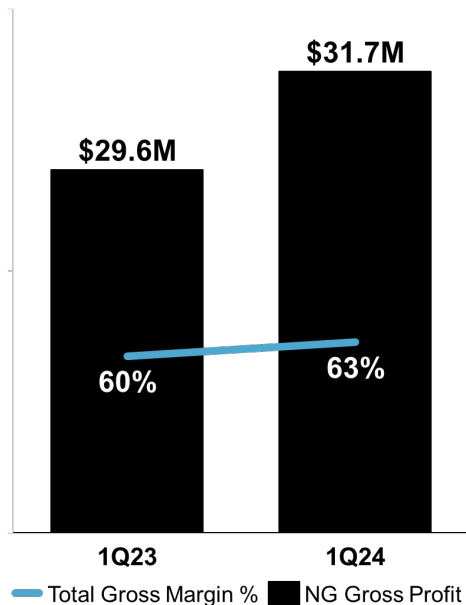
PROFITABILITY: GROSS MARGIN

63%

GROSS MARGIN % 1Q24

70%

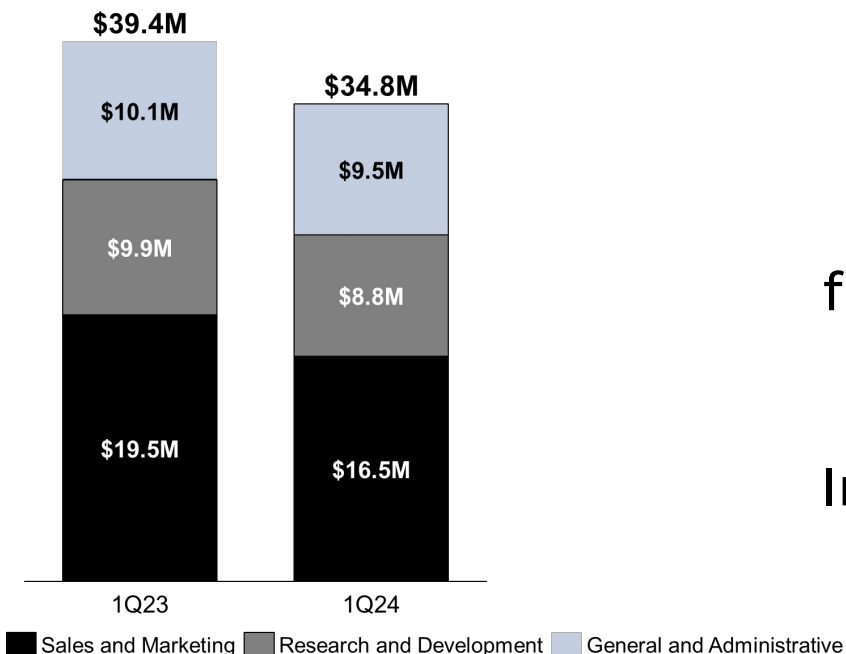
LONG TERM TARGET



- Revenue Scale
- Architecture Optimization
- Vendor Realignment
- SW cap CAPEX → D&A reduction

Pursuing several actionable paths to drive improvement in Gross Margin long term

PROFITABILITY: OPEX EFFICIENCY



GAAP S&M, R&D and G&A, excluding Merger-Related and Gain on Sale of Assets

69%

GAAP S&M, G&A and R&D functions as a % of Revenue

Improvement from **80%** in 1Q23

Executed meaningful OPEX optimization while leaving resources to fuel growth

PROFITABILITY: EBITDA IMPROVEMENTS

~7-10%+

EBITDA % of Revenue for last four quarters

\$11.9M

FY 2023

\$14M-\$16M

GUIDANCE FY 2024
+25% YoY at Mid-point

20%+

Long-term Target
EBITDA Margin

COGS & OPEX management driving increased profitability

PROFITABILITY: FREE CASH FLOW

\$5.6M - \$8M

expected FCF in 2024

- ▶ 25%+ YoY EBITDA Growth in Guidance mid-point
- ▶ Reduction in CAPEX YoY

Meaningful Free Cash Flow generation expected in 2024 = 40% to 50% of EBITDA

CONTINUED INNOVATION INVESTMENT

INNOVATION INVESTMENT: R&D + S&M

\$11.0M in 1Q24
R&D + CAP SW

\$16.5M in 1Q24
S&M

**In line with
expected Long
Term Return to
Growth**

- Could continue to operate with current OPEX at higher Revenue scale



Level of Investment should enable us to return to growth

DELIVERING ON OUR TARGETS

FIRST QUARTER HIGHLIGHTS

REVENUE GROWTH

+3%

YoY

ABOVE GUIDANCE RANGE

TOTAL BACKLOG

\$185.4M

+2.3% YoY

RECORD BACKLOG

ADJ EBITDA

10%

ADJ. EBITDA MARGIN
FOR THIRD
CONSECUTIVE
QUARTER

NEW BUSINESS

HIGHER

THAN AVERAGE OF
TRAILING THREE
QUARTERS

CASH BALANCE & NET INCREASE IN CASH

\$22.9M

Cash and cash
equivalents

+\$4.3M

Net Increase in Cash
& Cash equivalents

GUIDANCE & LT TARGETS

	2Q24		FY 2024		LONG TERM TARGETS
	LOW	HIGH	LOW	HIGH	
Revenue	\$47.5M	\$48.5M	\$195M	\$198M	+10% Revenue Growth
Non-GAAP Op Inc/(Loss)	(\$2M)	(\$1M)	(\$3M)	(\$1M)	
Adjusted EBITDA	\$2M	\$3M	\$14M	\$16M	20% EBITDA Margin
Non-GAAP EPS	(\$0.05)	(\$0.03)	(\$0.10)	(\$0.05)	

Long-Term targets → Revenue scale, COGS & OPEX optimization

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 & services innovation path, amplified by AI-driven future, 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 in Revenue, Adj. EBITDA, FCF & shareholder returns

Q&A

APPENDIX

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 expenses, gain on sales of assets, restructuring and other (benefit) 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 expense, the amortization of acquired intangible assets, stock-based compensation expense, merger-related expenses, gain on sales of assets, restructuring and other (benefit) 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>March 31, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,869	\$ 18,615
Accounts receivable, net of allowance	35,222	33,451
Prepaid expenses and other current assets	20,264	18,333
Total current assets	78,355	70,399
Property and equipment, net	41,007	42,476
Operating lease right-of-use asset	15,483	16,233
Intangible assets, net	5,446	6,368
Goodwill	74,859	74,859
Other assets	5,307	5,772
Total assets	<u>\$ 220,457</u>	<u>\$ 216,107</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 11,386	\$ 14,422
Accrued expenses	18,847	17,566
Operating lease liability	4,218	4,486
Deferred revenue	71,843	68,155
Total current liabilities	106,294	104,629
Operating lease liability, net of current portion	16,745	17,358
Other liabilities	154	207
Total liabilities	123,193	122,194
Stockholders' equity:		
Common stock	45	44
Additional paid-in capital	331,001	328,918
Treasury stock, at cost	(871)	(871)
Accumulated other comprehensive loss	(1,543)	(1,236)
Accumulated deficit	(231,368)	(232,942)
Total stockholders' equity	97,264	93,913
Total liabilities and stockholders' equity	<u>\$ 220,457</u>	<u>\$ 216,107</u>

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



	Three Months Ended March 31,	
	2024	2023
Revenue:		
Subscription and support revenue	\$ 47,969	\$ 47,102
Professional services and other revenue	2,512	1,961
Total revenue	50,481	49,063
Cost of revenue: (1) (2)		
Cost of subscription and support revenue	16,807	18,265
Cost of professional services and other revenue	2,815	2,002
Total cost of revenue	19,622	20,267
Gross profit	30,859	28,796
Operating expenses: (1) (2)		
Research and development	8,849	9,866
Sales and marketing	16,454	19,465
General and administrative	9,544	10,064
Merger-related	-	145
Gain on sale of assets	(6,000)	-
Total operating expenses	28,847	39,540
Income (loss) from operations	2,012	(10,744)
Other expense, net	(38)	(543)
Income (loss) before income taxes	1,974	(11,287)
Provision for income taxes	400	427
Net income (loss)	\$ 1,574	\$ (11,714)
Net income (loss) per share—basic and diluted		
Basic	\$ 0.04	\$ (0.28)
Diluted	0.04	(0.28)
Weighted-average shares—basic and diluted		
Basic	43,983	42,528
Diluted	44,098	42,528
(1) Stock-based compensation included in above line items:		
Cost of subscription and support revenue	\$ 106	\$ 138
Cost of professional services and other revenue	40	100
Research and development	315	688
Sales and marketing	354	1,169
General and administrative	1,398	1,448
(2) Amortization of acquired intangible assets included in the above line items:		
Cost of subscription and support revenue	\$ 520	\$ 601
Sales and marketing	402	416

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



	Three Months Ended March 31,	
	2024	2023
Operating activities		
Net income (loss)	\$ 1,574	\$ (11,714)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	4,917	3,949
Stock-based compensation	2,213	3,543
Provision for reserves on accounts receivable	(81)	67
Gain on sale of assets	(6,000)	-
Changes in assets and liabilities:		
Accounts receivable	(1,800)	(14,713)
Prepaid expenses and other current assets	(898)	(986)
Other assets	465	314
Accounts payable	(3,878)	956
Accrued expenses	1,727	(3,999)
Operating leases	(130)	(81)
Deferred revenue	3,918	10,032
Net cash provided by (used in) operating activities	<u>2,027</u>	<u>(12,632)</u>
Investing activities		
Proceeds from sale of assets	6,000	-
Purchases of property and equipment, net of returns	(817)	(952)
Capitalization of internal-use software costs	(2,182)	(3,930)
Net cash provided by (used in) investing activities	<u>3,001</u>	<u>(4,882)</u>
Financing activities		
Deferred acquisition payments	-	(1,700)
Other financing activities	(239)	(225)
Net cash used in financing activities	<u>(239)</u>	<u>(1,925)</u>
Effect of exchange rate changes on cash and cash equivalents	(535)	23
Net increase (decrease) in cash and cash equivalents	4,254	(19,416)
Cash and cash equivalents at beginning of period	18,615	31,894
Cash and cash equivalents at end of period	<u>\$ 22,869</u>	<u>\$ 12,478</u>

Reconciliation of GAAP Gross Profit, GAAP Income (Loss) From Operations, GAAP Net Income (Loss) and GAAP Net Income (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 March 31,	
	2024	2023
GROSS PROFIT:		
GAAP gross profit	\$ 30,859	\$ 28,796
Stock-based compensation expense	146	238
Amortization of acquired intangible assets	520	601
Restructuring and other	172	-
Non-GAAP gross profit	<u>\$ 31,697</u>	<u>\$ 29,635</u>
INCOME (LOSS) FROM OPERATIONS:		
GAAP income (loss) from operations	\$ 2,012	\$ (10,744)
Stock-based compensation expense	2,213	3,543
Amortization of acquired intangible assets	922	1,017
Merger-related	-	145
Restructuring and other	1,837	427
Gain on sale of assets	(6,000)	-
Non-GAAP income (loss) from operations	<u>\$ 984</u>	<u>\$ (5,612)</u>
NET INCOME (LOSS) :		
GAAP net income (loss)	\$ 1,574	\$ (11,714)
Stock-based compensation expense	2,213	3,543
Amortization of acquired intangible assets	922	1,017
Merger-related	-	145
Restructuring and other	1,837	427
Gain on sale of assets	(6,000)	-
Non-GAAP net income (loss)	<u>\$ 546</u>	<u>\$ (6,582)</u>
GAAP diluted net income (loss) per share	<u>\$ 0.04</u>	<u>\$ (0.28)</u>
Non-GAAP diluted net income (loss) per share	<u>\$ 0.01</u>	<u>\$ (0.15)</u>
Shares used in computing GAAP diluted net income (loss) per share	44,098	42,528
Shares used in computing Non-GAAP diluted net income (loss) per share	44,098	42,528

Brightcove Inc.
Calculation of Adjusted EBITDA
(in thousands)

	Three Months Ended March 31,	
	2024	2023
Net income (loss)	\$ 1,574	\$ (11,714)
Other (income) expense, net	38	543
Provision for income taxes	400	427
Depreciation and amortization	4,917	3,949
Stock-based compensation expense	2,213	3,543
Merger-related	-	145
Restructuring and other	1,837	427
Gain on sale of assets	(6,000)	-
Adjusted EBITDA	<u>\$ 4,979</u>	<u>\$ (2,680)</u>

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,	
	2024	
Total revenue	\$	50,481
Constant currency adjustment		220
Total revenue on a constant currency basis	<u>\$</u>	<u>50,701</u>

	Three Months Ended March 31,	
	2024	
Adjusted EBITDA	\$	4,979
Constant currency adjustment		100
Adjusted EBITDA on a constant currency basis	<u>\$</u>	<u>5,079</u>

**THANK
YOU**