

Q4'22 EARNINGS

FEBRUARY 23, 2023

TODAY'S 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 first 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.

FINANCIAL RESULTS

Q4

2022

\$49.2M

Total revenue

\$211.0M

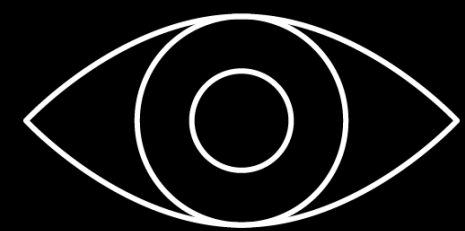
Total revenue

\$1.2M

Adj. EBITDA

\$17.9M

Adj. EBITDA

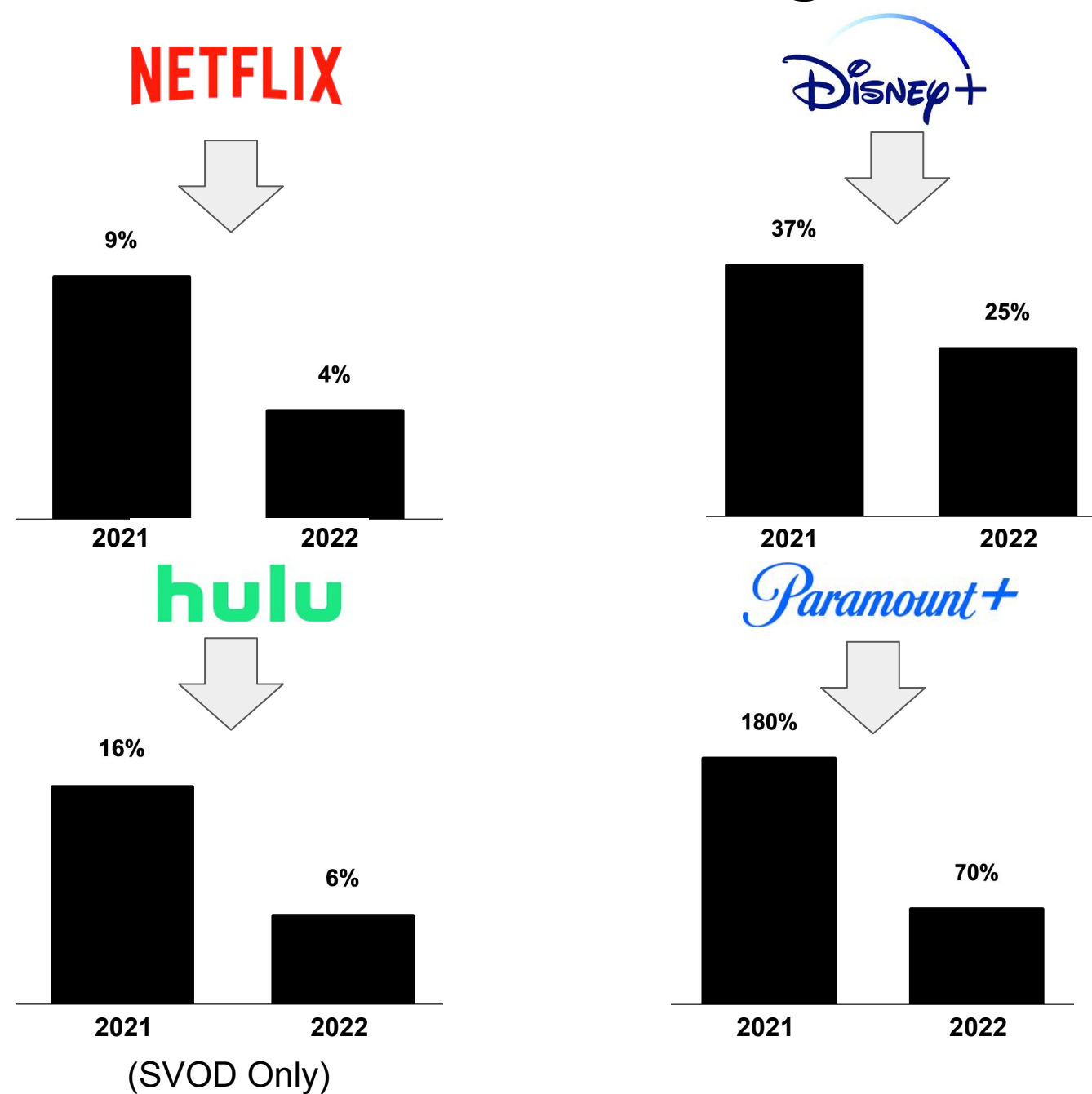


VISION

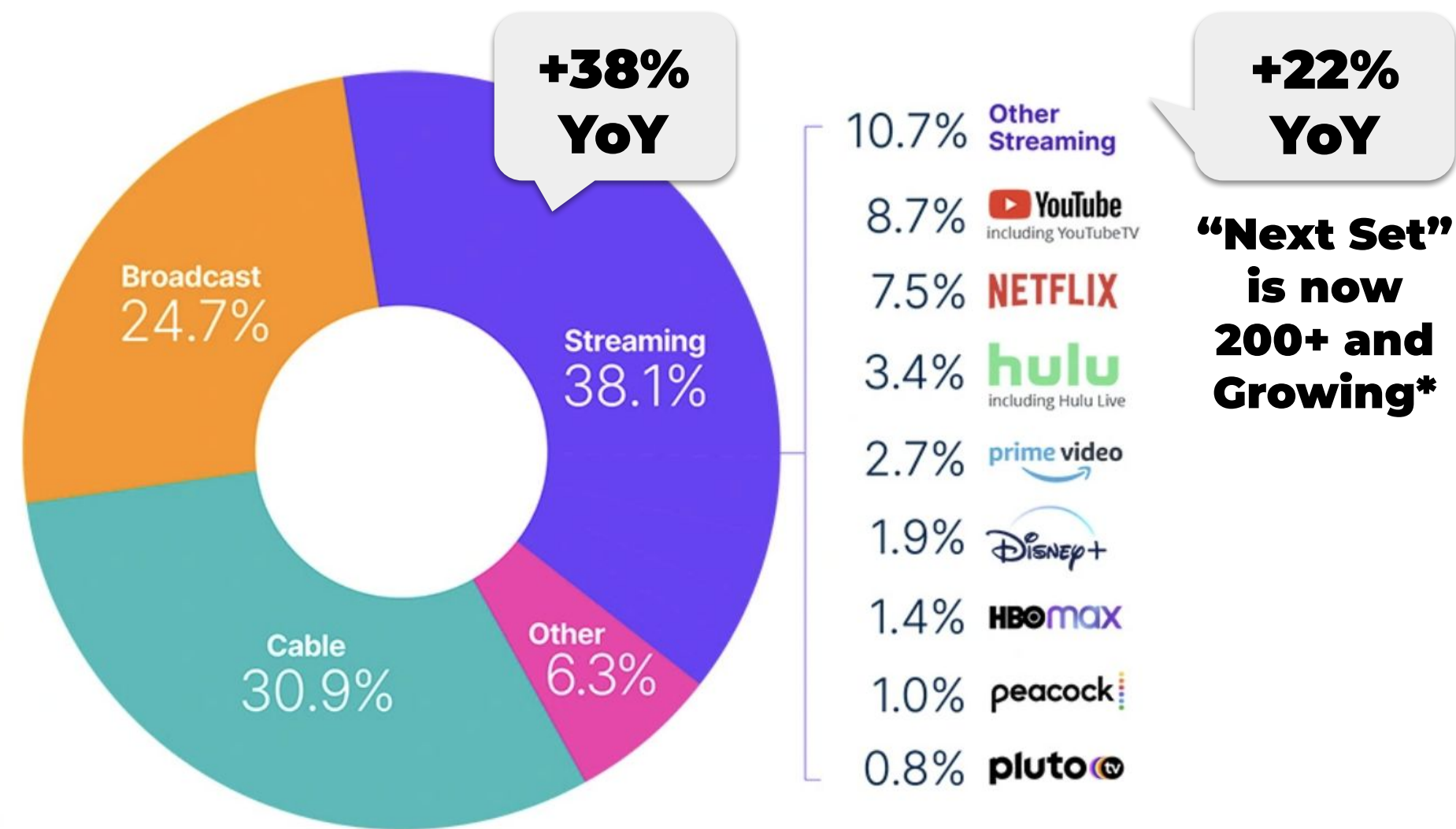
The most trusted streaming
technology company in the world.

MEDIA STREAMING MARKET

Big Media Streamer Sub Growth Slowing



Significant Growth in Time Spent Streaming & # of Streaming Services



Consumer Linear vs. Streaming Viewing
(December 2022, Total Day, P2+)

Source: 10Q and 10K SEC Company Filings, Nielsen December 2021 - 2022 Data. *200+ across US, UK, Canada, India, Australia, and China

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

ENTERPRISE STREAMING MARKET

VIDEO FOR MARKETERS

88%

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

70%

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

VIDEO FOR EMPLOYEE COMMUNICATIONS

80%

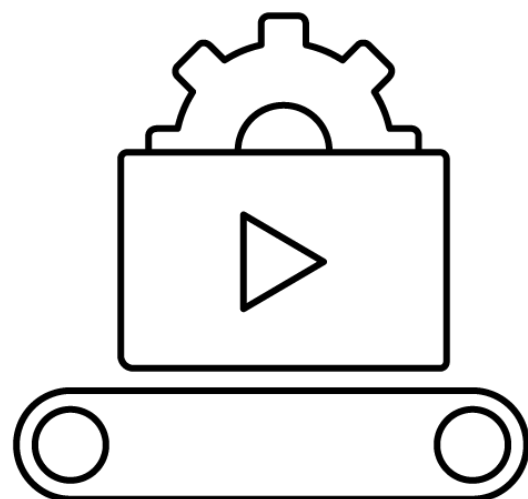
of internal communications teams use video to increase familiarity with their company's leaders.

95%

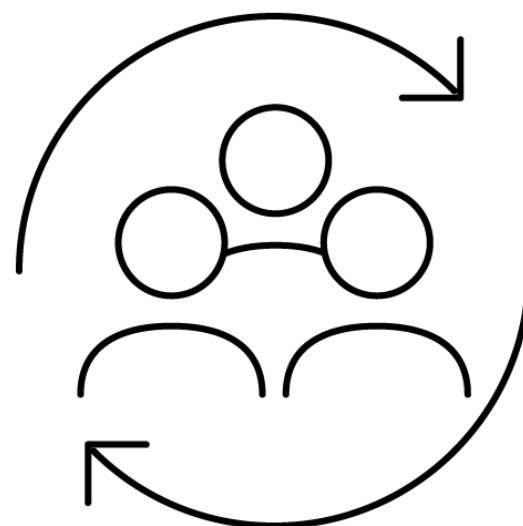
retention rate of messaging when it is presented in video format.

OUR STREAMING SOLUTIONS

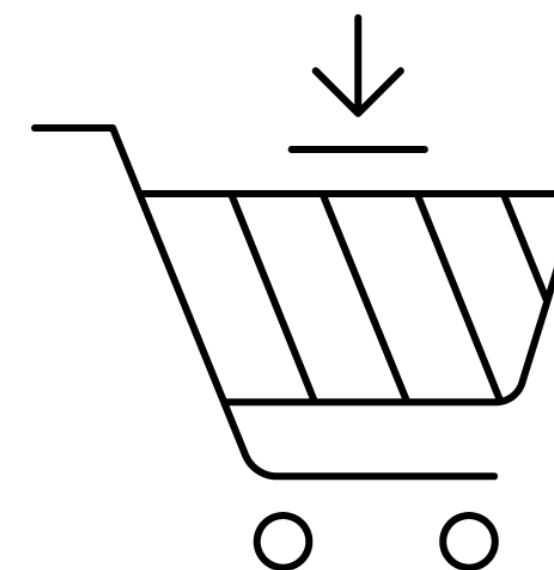
enable companies to:



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

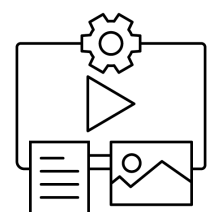
Maximize revenue & reduce costs

Marketing & Communications Studio

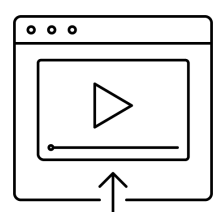
BUSINESS OR BRAND

Drive more pipeline, grow brand awareness and communicate with employees

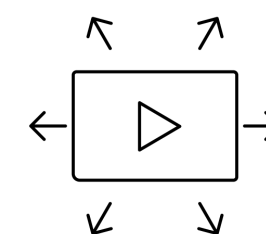
Brightcove Video Cloud Platform



Ingest and manage video content



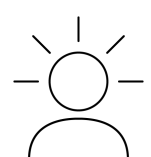
Create sites, apps, channels and experiences



Distribute content across devices & platforms



Analyze to improve performance & monetization



Expert Advisory Services

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market

**MORE
END-TO-END**

**ACCELERATE
& INCUBATE
CUSTOMERS**

**INCREASE
BUSINESS MODEL
FLEXIBILITY
& REVENUE
OPPORTUNITIES**

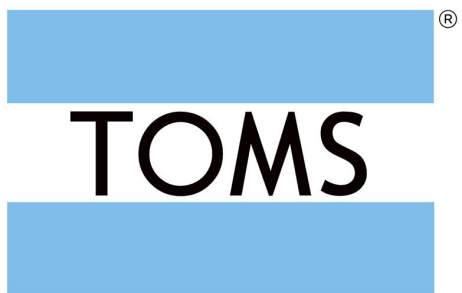
**SUPER-SERVE
LARGEST
CUSTOMERS**

**PARTNER
IN BROAD
MARKET**

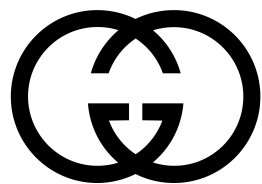


MEDIA CLIENT HIGHLIGHTS



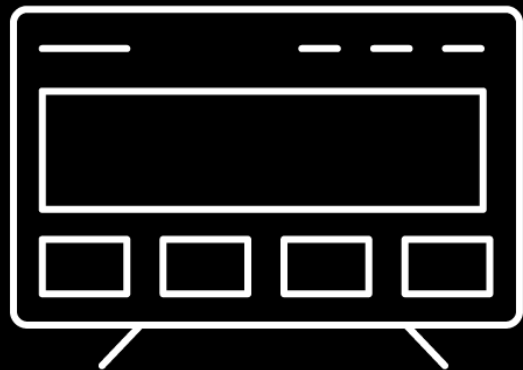


GUCCI



NET-A-PORTER

HUGO BOSS



ENTERPRISE CLIENT HIGHLIGHTS

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market

**MORE
END-TO-END**

**ACCELERATE
& INCUBATE
CUSTOMERS**

**INCREASE
BUSINESS MODEL
FLEXIBILITY
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OPPORTUNITIES**

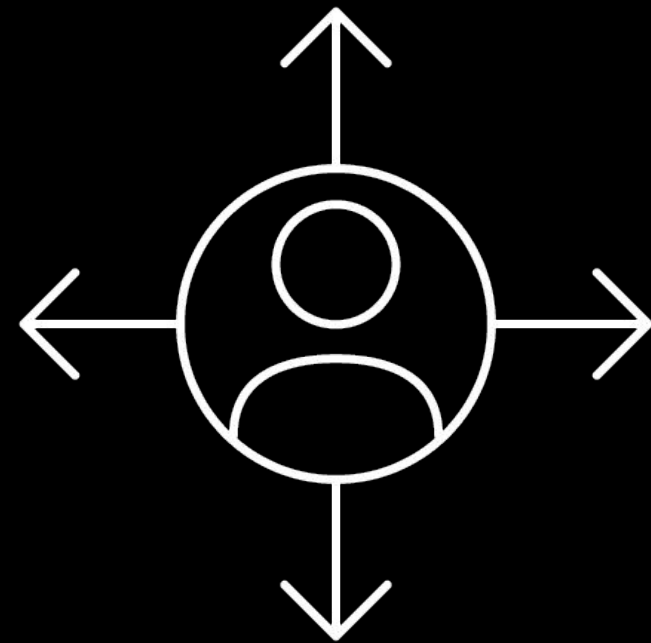
**SUPER-SERVE
LARGEST
CUSTOMERS**

**PARTNER
IN BROAD
MARKET**

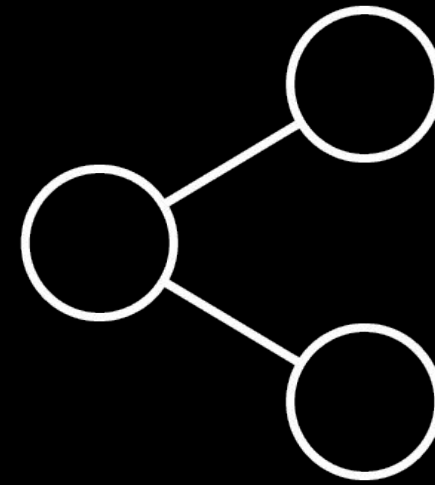
OUR GOALS



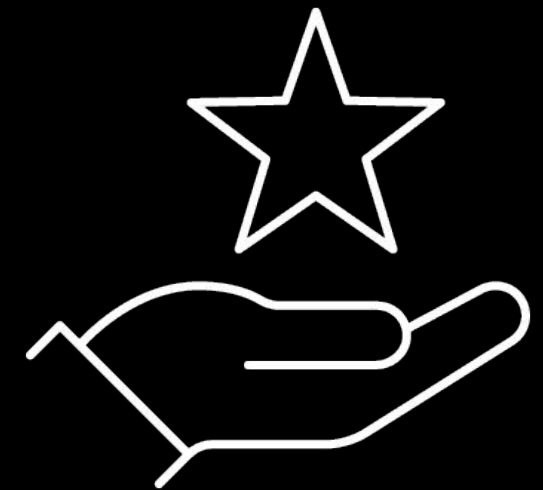
GROWTH



SCALE



DIVERSIFICATION



EXCELLENCE

FINANCIALS

ROB NORECK
Chief Financial Officer

REVENUE

\$49.2
MILLION

Down
6.5%
YoY

GAAP NET LOSS

(\$5.4)
MILLION

ADJUSTED EBITDA

\$1.2
MILLION

Down
80%
YoY

REVENUE

\$449.2

MILLION

Down
6.5%
YoY

GAAP NET LOSS AND EPS

(\$5.4)

MILLION

EPS (\$0.13)

ADJUSTED EBITDA

\$1.2

MILLION

2.4% of Revenue



Down
80%
YoY

Q1-23 GUIDANCE

Low

High

Revenue

\$49 million

\$50 million

Non-GAAP Op Loss

(\$3) million

(\$2) million

Adjusted EBITDA

\$0 million

\$1 million

Non-GAAP EPS

(\$0.08)

(\$0.05)

FY23 GUIDANCE

Low

High

Revenue

\$211 million

\$215 million

Non-GAAP Op Inc

\$3 million

\$6 million

Adjusted EBITDA

\$16 million

\$19 million

Non-GAAP EPS

\$0.04

\$0.11



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, 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. Revenue and adjusted EBITDA on a constant currency basis reflect our revenues and adjusted EBITDA using exchange rates used for Brightcove's Fiscal Year 2022 outlook on Brightcove's press release on February 16, 2022. 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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenue:				
Subscription and support revenue	\$ 47,688	\$ 50,262	\$ 204,091	\$ 198,929
Professional services and other revenue	1,550	2,379	6,917	12,164
Total revenue	49,238	52,641	211,008	211,093
Cost of revenue: (1) (2)				
Cost of subscription and support revenue	17,763	15,933	69,935	62,773
Cost of professional services and other revenue	1,563	2,050	7,138	10,255
Total cost of revenue	19,326	17,983	77,073	73,028
Gross profit	29,912	34,658	133,935	138,065
Operating expenses: (1) (2)				
Research and development	8,984	7,677	33,524	31,718
Sales and marketing	18,725	18,447	73,997	71,177
General and administrative	8,159	7,439	32,550	29,261
Merger-related	-	-	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Total operating expenses	35,868	33,563	141,967	130,491
(Loss) income from operations	(5,956)	1,095	(8,032)	7,574
Other income (expense), net	845	(438)	(1,035)	(1,375)
(Loss) income before income taxes	(5,111)	657	(9,067)	6,199
Loss (benefit) from provision for income taxes	286	240	(52)	802
Net (loss) income	\$ (5,397)	\$ 417	\$ (9,015)	\$ 5,397
Net (loss) income per share—basic and diluted				
Basic	\$ (0.13)	\$ 0.01	\$ (0.22)	\$ 0.13
Diluted	(0.13)	0.01	(0.22)	0.13
Weighted-average shares—basic and diluted				
Basic	42,184	41,151	41,831	40,717
Diluted	42,184	41,684	41,831	42,200
(1) Stock-based compensation included in above line items:				
Cost of subscription and support revenue	\$ 123	\$ 126	\$ 508	\$ 627
Cost of professional services and other revenue	99	102	433	401
Research and development	711	416	2,746	1,677
Sales and marketing	1,133	875	3,990	2,957
General and administrative	1,513	1,215	5,622	4,306
Other expense (benefit)	-	-	249	-
(2) Amortization of acquired intangible assets included in the above line items:				
Cost of subscription and support revenue	\$ 601	\$ 414	\$ 1,757	\$ 1,420
Sales and marketing	416	407	1,662	1,652

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



	Twelve Months Ended December 31,	
	2022	2021
Operating activities		
Net (loss) income	\$ (9,015)	\$ 5,397
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	10,696	8,322
Stock-based compensation	13,548	9,968
Provision for reserves on accounts receivable	118	159
Changes in assets and liabilities:		
Accounts receivable	4,227	(846)
Prepaid expenses and other current assets	(1,216)	1,281
Other assets	(348)	(1,437)
Accounts payable	120	(683)
Accrued expenses	2,397	(5,209)
Operating leases	5,503	(634)
Deferred revenue	(609)	3,245
Net cash provided by operating activities	<u>25,421</u>	<u>19,563</u>
Investing activities		
Cash paid for acquisition, net of cash acquired	(13,215)	(2,000)
Purchases of property and equipment, net of returns	(10,727)	(2,205)
Capitalization of internal-use software costs	(13,825)	(6,637)
Net cash used in investing activities	<u>(37,767)</u>	<u>(10,842)</u>
Financing activities		
Proceeds from exercise of stock options	177	2,846
Deferred acquisition payments	-	(475)
Other financing activities	(260)	(1,669)
Net cash (used in) provided by financing activities	<u>(83)</u>	<u>702</u>
Effect of exchange rate changes on cash and cash equivalents	(1,416)	(1,156)
Net (decrease) increase in cash and cash equivalents	(13,845)	8,267
Cash and cash equivalents at beginning of period	45,739	37,472
Cash and cash equivalents at end of period	<u>\$ 31,894</u>	<u>\$ 45,739</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 December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
GROSS PROFIT:				
GAAP gross profit	\$ 29,912	\$ 34,658	\$ 133,935	\$ 138,065
Stock-based compensation expense	222	228	941	1,028
Amortization of acquired intangible assets	601	414	1,757	1,420
Non-GAAP gross profit	<u>\$ 30,735</u>	<u>\$ 35,300</u>	<u>\$ 136,633</u>	<u>\$ 140,513</u>
(LOSS) INCOME FROM OPERATIONS:				
GAAP (loss) income from operations	\$ (5,956)	\$ 1,095	\$ (8,032)	\$ 7,574
Stock-based compensation expense	3,579	2,734	13,299	9,968
Amortization of acquired intangible assets	1,017	821	3,419	3,072
Merger-related	-	-	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Non-GAAP (loss) income from operations	<u>\$ (1,360)</u>	<u>\$ 4,650</u>	<u>\$ 10,582</u>	<u>\$ 18,949</u>
NET INCOME (LOSS):				
GAAP net (loss) income	\$ (5,397)	\$ 417	\$ (9,015)	\$ 5,397
Stock-based compensation expense	3,579	2,734	13,299	9,968
Amortization of acquired intangible assets	1,017	821	3,419	3,072
Merger-related	-	-	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Non-GAAP net (loss) income	<u>\$ (801)</u>	<u>\$ 3,972</u>	<u>\$ 9,599</u>	<u>\$ 16,772</u>
GAAP diluted net (loss) income per share	<u>\$ (0.13)</u>	<u>\$ 0.01</u>	<u>\$ (0.22)</u>	<u>\$ 0.13</u>
Non-GAAP diluted net (loss) income per share	<u>\$ (0.02)</u>	<u>\$ 0.10</u>	<u>\$ 0.23</u>	<u>\$ 0.40</u>
Shares used in computing GAAP diluted net (loss) income per share	42,184	41,684	41,831	42,200
Shares used in computing Non-GAAP diluted net income per share	42,184	41,684	42,293	42,200

Brightcove Inc.
Calculation of Adjusted EBITDA
(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net (loss) income	\$ (5,397)	\$ 417	\$ (9,015)	\$ 5,397
Other (income) expense, net	(845)	438	1,035	1,375
Loss (benefit) from income taxes	286	240	(52)	802
Depreciation and amortization	3,555	2,038	10,696	8,322
Stock-based compensation expense	3,579	2,734	13,299	9,968
Merger-related	-	-	747	300
Other expense (benefit)	-	-	1,149	(1,965)
Adjusted EBITDA	\$ 1,178	\$ 5,867	\$ 17,859	\$ 24,199