

Q1'24 EARNINGS

May 8, 2024

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.

TODAY'S PRESENTERS



MARC DEBEVOISE
CEO & Board Director



JOHN WAGNER
Chief Financial Officer

Q1 FINANCIAL RESULTS

\$50.5M

Total revenue

+3% YoY

\$5.0M

Adj. EBITDA

10% margin

\$22.9M

Ending cash and cash equivalents

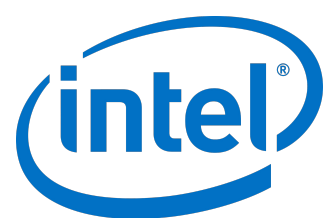
+\$4.3M QoQ

BUSINESS RESULTS

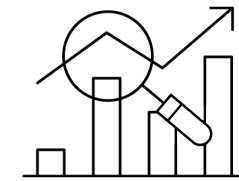
FIRST QUARTER HIGHLIGHTS

REVENUE GROWTH	TOTAL BACKLOG	ADJ EBITDA	NEW BUSINESS
<p>+3% YoY</p>	<p>\$185.4M +2.3% YoY RECORD BACKLOG</p>	<p>10% ADJ. EBITDA MARGIN FOR THIRD CONSECUTIVE QUARTER</p>	<p>HIGHER THAN AVERAGE OF TRAILING THREE QUARTERS</p>

KEY Q1 DEALS



PRODUCT INNOVATION



Publisher Insights™



Cloud Playout 2.0™



Video Editor™

AI @ BRIGHTCOVE: STRATEGY

OPTIMIZATION

of our solutions to
optimize our **customers' business**
(revenue, audience, content)

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

EFFICIENCY

of our solutions to
deliver efficiency for our customers
(lower costs, higher quality, fewer errors)

of tools/solutions our teams
leverage to save 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

“ 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 Garman

SVP Sales, Marketing, and Global Services

AWS

FINANCIALS

JOHN WAGNER
Chief Financial Officer

REVENUE

\$50.5

MILLION

UP
3%
YoY



SUBSCRIPTION BACKLOG

12 MONTH

TOTAL

\$127.3M

-1.6% YoY

\$185.4M

+2.3% YoY

GAAP NET INCOME AND EPS

\$1.6

MILLION

EPS \$0.04

ARPU

\$98k

Average annual
subscription revenue
per premium customer

UP
10%
YoY



FINANCIAL RESULTS

REVENUE

\$50.5
MILLION

Up
3%
YoY ↑

GAAP NET INCOME

\$1.6
MILLION

ADJUSTED EBITDA

\$5.0
MILLION

10%
of
revenue

CASH BALANCE & NET INCREASE IN CASH

\$22.9M

Cash and cash
equivalents

+\$4.3M

Net Increase in Cash
& Cash equivalents

ADJUSTED EBITDA

\$5.0

MILLION

10% of Revenue

GUIDANCE

	Q2'24		FY'24	
	LOW	HIGH	LOW	HIGH
Revenue	\$47.5M	\$48.5M	\$195M	\$198M
Non-GAAP Op Inc/(Loss)	(\$2M)	(\$1M)	(\$3M)	(\$1M)
Adjusted EBITDA	\$2M	\$3M	\$14M	\$16M
Non-GAAP EPS	(\$0.05)	(\$0.03)	(\$0.10)	(\$0.05)

**THANK
YOU**

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)



	<u>Three Months Ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Revenue:		
Subscription and support revenue	\$ 47,969	\$ 47,102
Professional services and other revenue	2,512	1,961
Total revenue	<u>50,481</u>	<u>49,063</u>
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	<u>19,622</u>	<u>20,267</u>
Gross profit	<u>30,859</u>	<u>28,796</u>
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	<u>(6,000)</u>	<u>-</u>
Total operating expenses	<u>28,847</u>	<u>39,540</u>
Income (loss) from operations	2,012	(10,744)
Other expense, net	<u>(38)</u>	<u>(543)</u>
Income (loss) before income taxes	1,974	(11,287)
Provision for income taxes	400	427
Net income (loss)	<u>\$ 1,574</u>	<u>\$ (11,714)</u>
Net income (loss) per share—basic and diluted		
Basic	\$ 0.04	\$ (0.28)
Diluted	<u>0.04</u>	<u>(0.28)</u>
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	\$ 4,979	\$ (2,680)

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	\$ 50,701	
Three Months Ended March 31,		
2024		
Adjusted EBITDA	\$ 4,979	
Constant currency adjustment		100
Adjusted EBITDA on a constant currency basis	\$ 5,079	