

26th ANNUAL NEEDHAM GROWTH CONFERENCE

JANUARY 16, 2024

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.

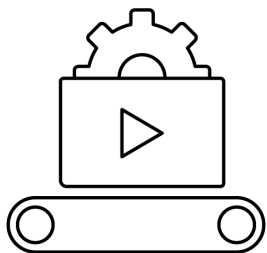


MISSION

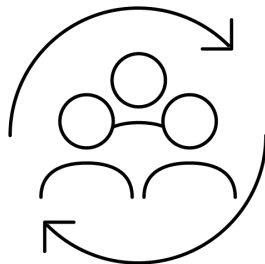
To deliver the highest quality, most scalable and secure streaming technology platform and solutions for any company, brand or creator **to own their digital future.**

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

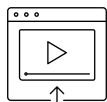
BUSINESS OR BRAND

Drive more pipeline, grow brand awareness and communicate with employees

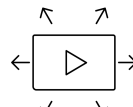
Brightcove Video Cloud Platform



Ingest and manage video content



Create sites, apps, channels and experiences



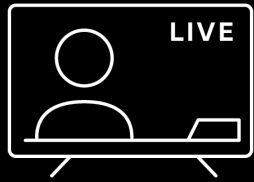
Distribute content across devices & platforms



Analyze to improve performance & monetization



Expert Advisory Services



MEDIA CLIENTS

BRIGHTCOVE®

yahoo!



Premier
League

sky

News Corp



Forbes



USGA®

BBC

Audacy

A24

J:COM

500+ MORE GLOBALLY

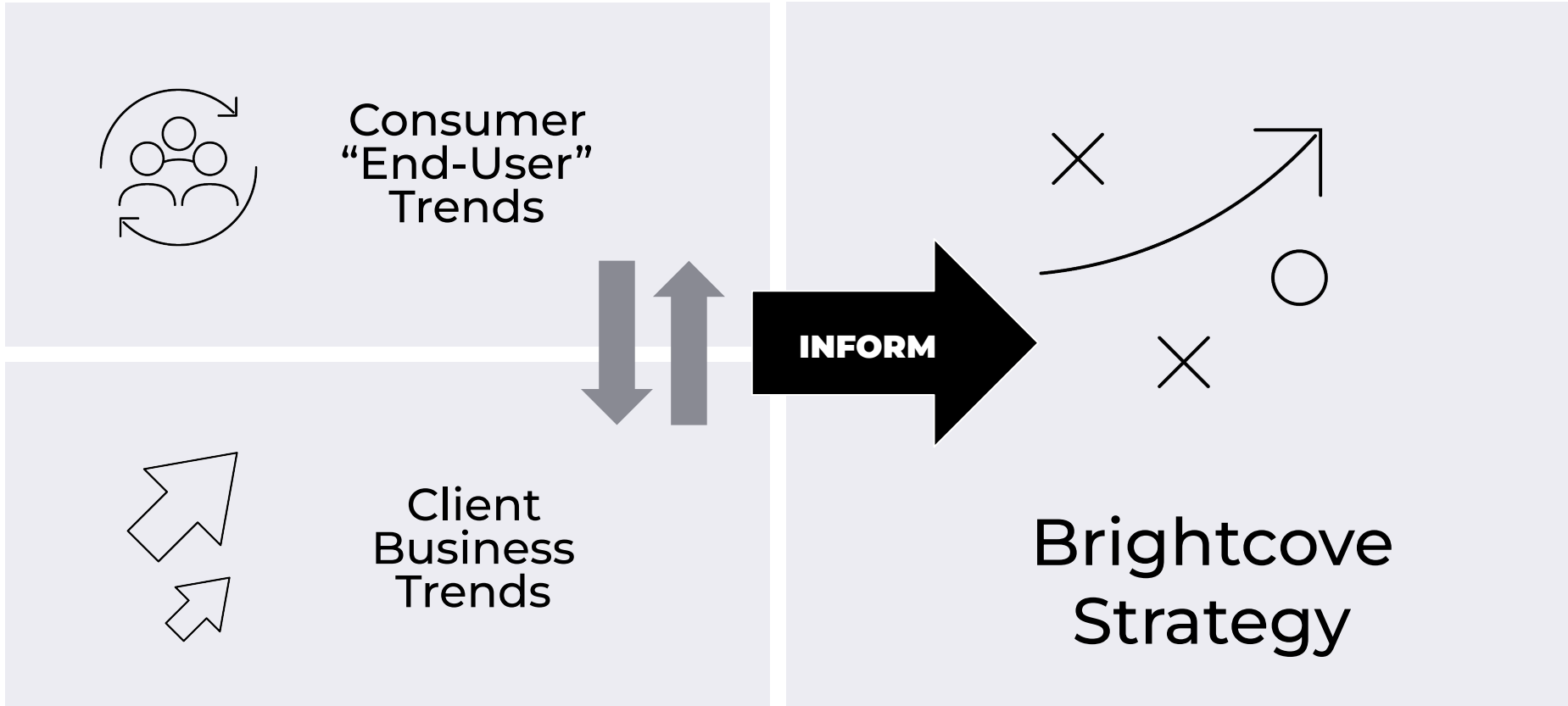
Deloitte. 3M



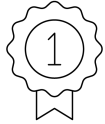
1,500+ MORE GLOBALLY

ENTERPRISE
CLIENTS

MARKET DRIVEN STRATEGY



STREAMING IS A GROWING, COMPETITIVE MARKET



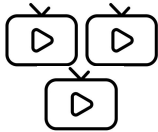
Streaming Dominates: streaming is the **most popular form of TV viewership**, ~10% ahead of cable and broadcast television



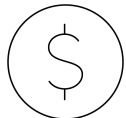
Streaming is Growing: Global streaming subscriptions are forecasted to **increase by 300+ million** by 2029, expecting **to reach 1.8 billion** total



Streaming Competition is Real for Big Media Post-Pandemic: Disney and WBD have **lost millions of** subs this year and Netflix viewing hours **declined 17% YoY**



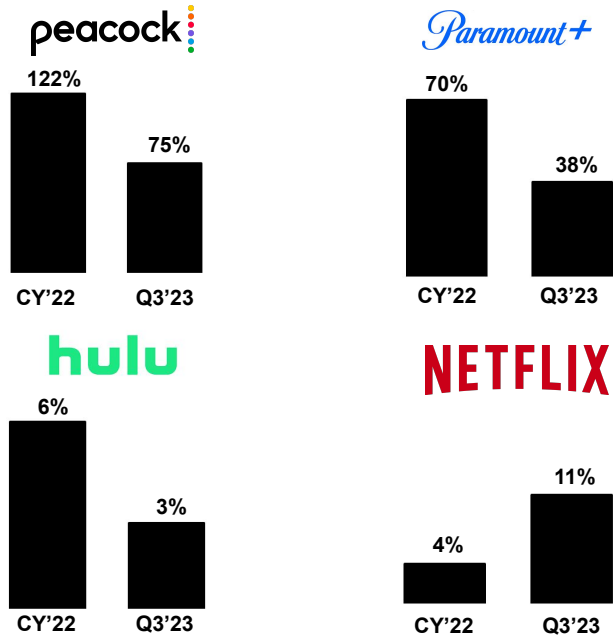
New Competitors & Models Emerging: **Next Tier** of streamers **expanding**; **Larger streamers evolving their business models with broader competition and increased churn** – introducing ad-tiers and cross-promotional bundling



Focus on Profitability: major streamers have announced **content cost reductions and layoffs** with goal to drive services to profitability

BIG MEDIA STREAMING MARKET

Big Media Streamer Sub Growth Moderating YoY



Source: 10Q and 10K SEC Company Filings. Data as of Q3 2023.

Pandemic Era



Massive content spend acceleration



Over invested on in-house tech



Unsustainable business model

2023 and beyond...



Service & company consolidations



Seeking tech efficiency & savings

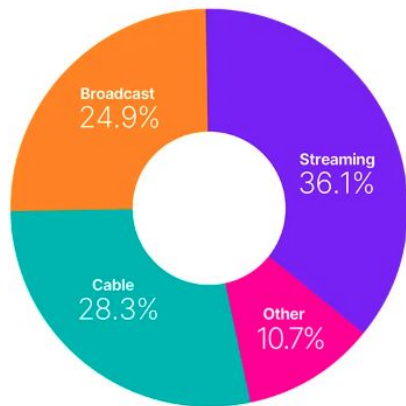


Focus on core competency = content

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*"



- 5.1% Other Streaming
- 9.0% YouTube
- 7.4% NETFLIX
- 3.4% prime video
- 2.7% hulu
- 1.9% Disney+
- 1.4% tubi
- 1.3% peacock
- 1.2% max
- 1.0% ROKU Channel
- 0.9% Paramount+
- 0.8% pluto

Increasing streaming share

200+ services and growing*

Consumer Linear vs Streaming Viewing

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

Regional Leaders Globally



Leading Global Digital Media

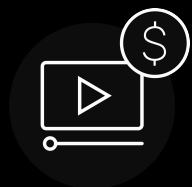


Targeted Audience Services



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

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



73%

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

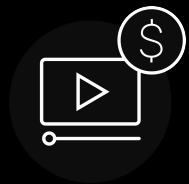


88%

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 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 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

STRATEGIC FRAMEWORK

SOLUTIONS & SERVICES

Create New & Larger Opportunities
+ Improve Retention

GO TO MARKET

Better & More Efficiently Capture
Addressable Market



STRATEGY IN ACTION

SOLUTIONS & SERVICES

 **MARKETING & COMMS STUDIOS**

 **ACCELERATING via INTEGRATIONS**



 **AD MONETIZATION & INSIGHTS**



 **FAST / CLOUD PLAYOUT**



 **QUALITY OF EXPERIENCE
ANALYTICS & INSIGHTS**

GO TO MARKET

 **UPMARKET FOCUS**



 **PARTNERSHIPS**



RESEARCH/ANALYST RECOGNITION

LEADER CATEGORY PLACEMENT



IDC MARKETSCAPE
For Media and Entertainment

LEADER | SECOND CONSECUTIVE YEAR



ARAGON RESEARCH GLOBE
For Enterprise Video 2023

BUSINESS MODEL LEVERAGE



ARPU

LARGER CUSTOMERS

LONGER CONTRACTS

Revenue Growth

**Retention
Improvement**

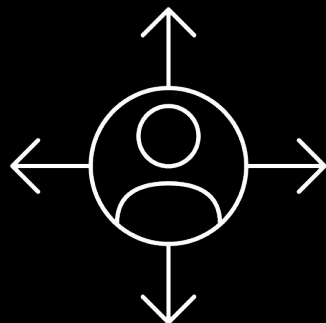
**EBITDA Margin
Expansion**

**Meaningful FCF
generation**

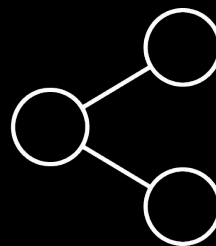
OUR GOALS



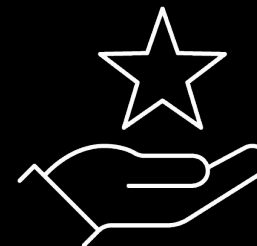
GROWTH



SCALE



DIVERSIFICATION



EXCELLENCE

FINANCIALS

ROB NORECK
Chief Financial Officer

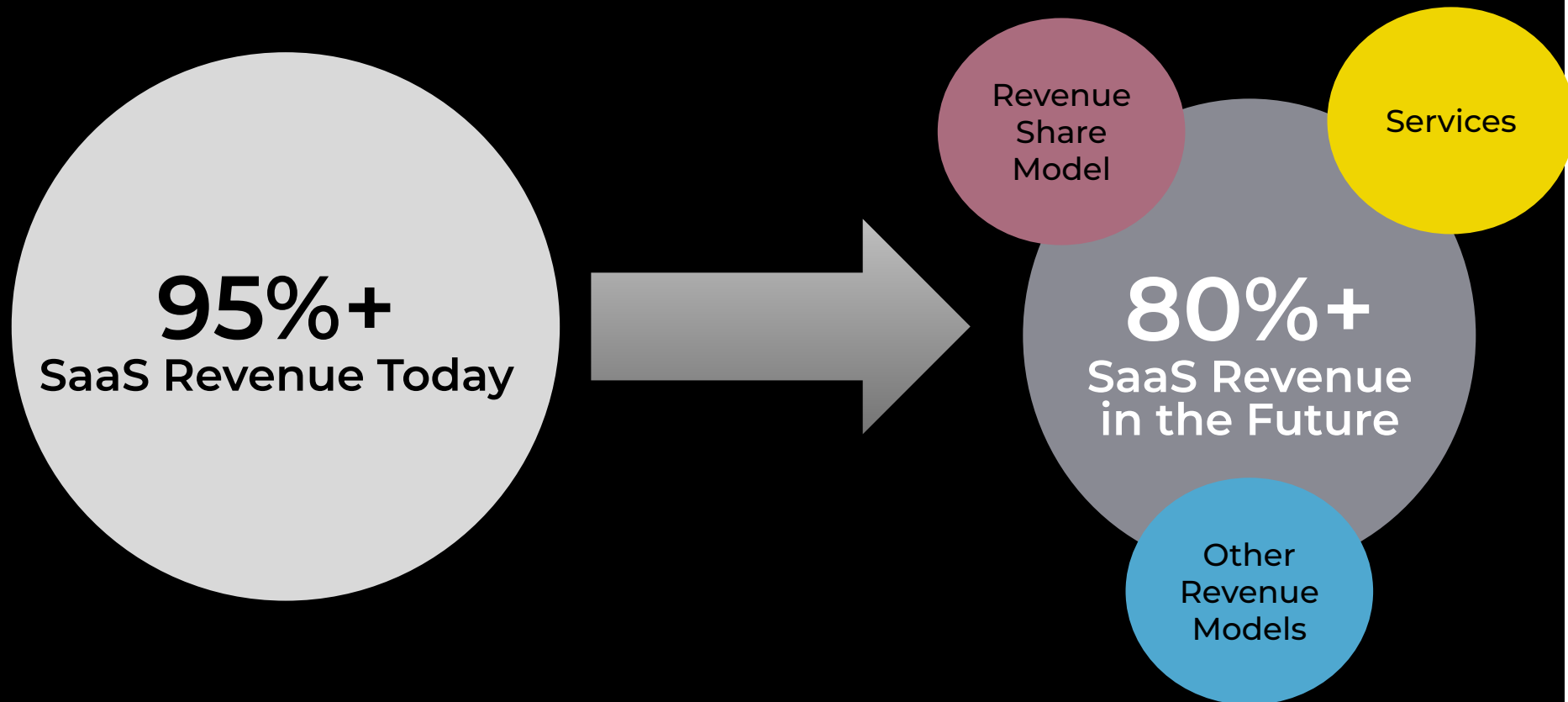
**1 DELIVERING
REVENUE GROWTH**

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 AND
LONGER
CONTRACTS**

NEW BUSINESS GROWTH

Q3

Avg. Contract Value

+65%
YoY

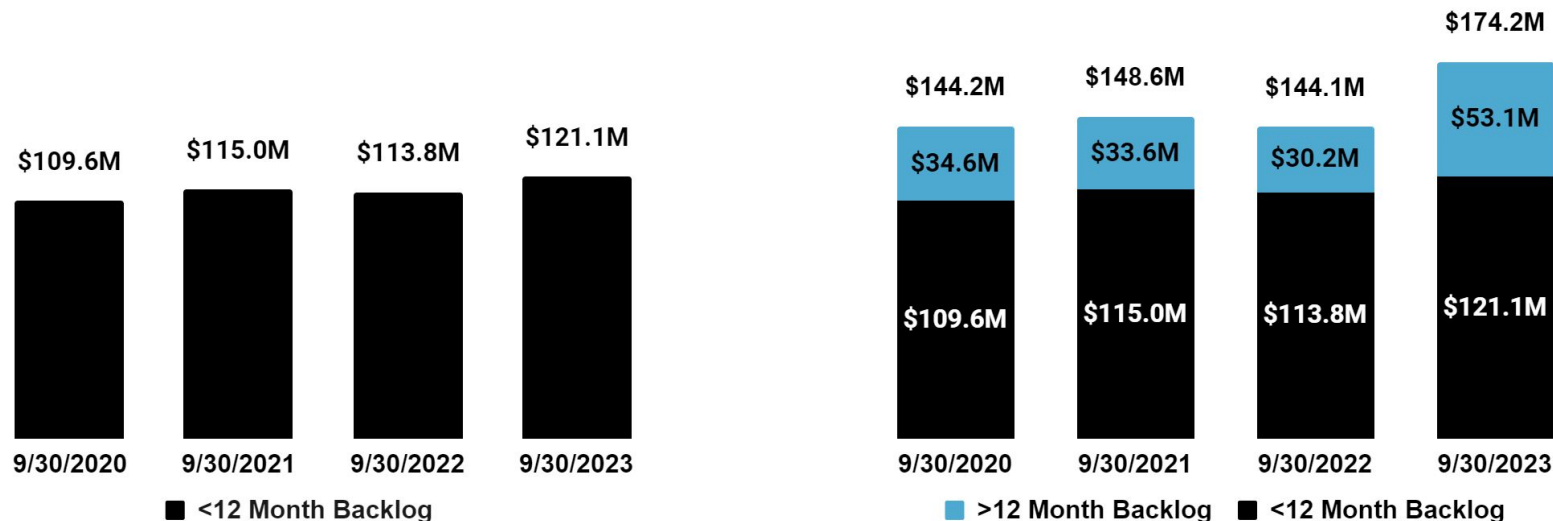
+2-3x
YoY

EACH QUARTER FROM
Q4'22 to Q3'23

SUBSCRIPTION BACKLOG GROWTH

12-MONTH

TOTAL

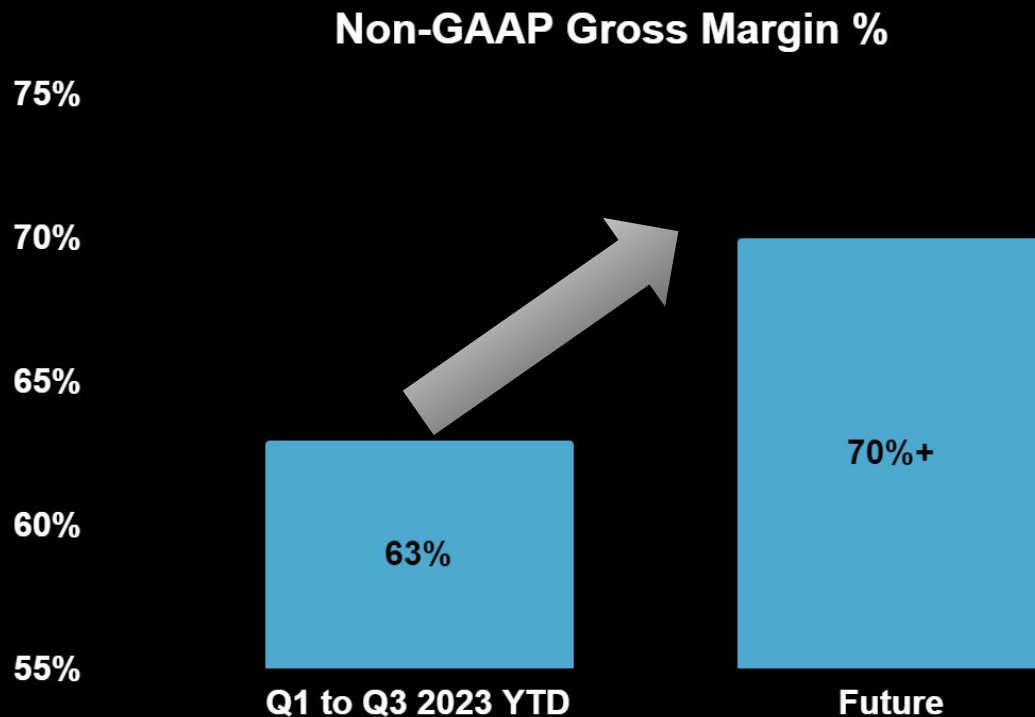


Backlog strength represents meaningful long-term opportunity

**REVENUE
GROWTH TO
10% +**

2 DRIVING SCALE

EXPANDING GROSS MARGINS



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

3 ATTRACTIVE LONG TERM MODEL







GUIDANCE

	Q4'23		FY'23	
	LOW	HIGH	LOW	HIGH
Revenue	\$49M	\$51M	\$200M	\$202M
Non-GAAP Op Loss	\$0.3M	\$2.3M	(\$2.5M)	(\$0.5M)
Adjusted EBITDA	\$4.0M	\$6.0M	\$10.4M	\$12.4M
Non-GAAP EPS	\$0.00	\$0.05	(\$0.09)	(\$0.04)

ORGANIC LONG TERM MODEL

	<u>FY23 Guide</u>	<u>4Q23 Guide</u>	<u>Long Term Target</u>
Revenue Growth	(4-5)%	0-4%	10% +
Non-GAAP Gross Margin	N/A	N/A	70% +
Operating Expenses	N/A	N/A	50%
Adjusted EBITDA %	5-6%	8-12%	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 Balance Sheets
(in thousands)

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,422	\$ 31,894
Accounts receivable, net of allowance	30,262	26,004
Prepaid expenses and other current assets	19,743	19,422
Total current assets	<u>66,427</u>	<u>77,320</u>
Property and equipment, net	42,730	39,677
Operating lease right-of-use asset	16,823	18,671
Intangible assets, net	7,290	10,279
Goodwill	74,859	74,859
Other assets	6,016	7,007
Total assets	<u>\$ 214,145</u>	<u>\$ 227,813</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 13,857	\$ 11,326
Accrued expenses	17,519	26,877
Operating lease liability	4,403	4,157
Deferred revenue	67,248	61,597
Total current liabilities	<u>103,027</u>	<u>103,957</u>
Operating lease liability, net of current portion	18,143	20,528
Other liabilities	673	981
Total liabilities	<u>121,843</u>	<u>125,466</u>
Stockholders' equity:		
Common stock	44	42
Additional paid-in capital	325,402	314,825
Treasury stock, at cost	(871)	(871)
Accumulated other comprehensive loss	(1,845)	(1,593)
Accumulated deficit	(230,428)	(210,056)
Total stockholders' equity	<u>92,302</u>	<u>102,347</u>
Total liabilities and stockholders' equity	<u>\$ 214,145</u>	<u>\$ 227,813</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Revenue:				
Subscription and support revenue	\$ 48,571	\$ 51,814	\$ 144,686	\$ 156,403
Professional services and other revenue	2,409	2,130	6,345	5,367
Total revenue	50,980	53,944	151,031	161,770
Cost of revenue: (1) (2)				
Cost of subscription and support revenue	16,892	18,247	51,760	52,172
Cost of professional services and other revenue	2,369	1,816	6,269	5,575
Total cost of revenue	19,261	20,063	58,029	57,747
Gross profit	31,719	33,881	93,002	104,023
Operating expenses: (1) (2)				
Research and development	8,730	7,931	28,941	24,540
Sales and marketing	17,222	19,023	55,721	55,272
General and administrative	7,941	7,748	27,410	24,391
Merger-related	117	-	307	747
Other expense	-	-	-	1,149
Total operating expenses	34,010	34,702	112,379	106,099
Loss from operations	(2,291)	(821)	(19,377)	(2,076)
Other income (expense), net	130	(668)	9	(1,880)
Loss before income taxes	(2,161)	(1,489)	(19,368)	(3,956)
Loss (benefit) from provision for income taxes	260	191	1,004	(338)
Net loss	\$ (2,421)	\$ (1,680)	\$ (20,372)	\$ (3,618)
Net loss per share—basic and diluted				
Basic	\$ (0.06)	\$ (0.04)	\$ (0.47)	\$ (0.09)
Diluted	(0.06)	(0.04)	(0.47)	(0.09)
Weighted-average shares—basic and diluted				
Basic	43,332	41,972	42,976	41,712
Diluted	43,332	41,972	42,976	41,712
(1) Stock-based compensation included in above line items:				
Cost of subscription and support revenue	\$ 122	\$ 132	\$ 389	\$ 385
Cost of professional services and other revenue	92	76	284	334
Research and development	598	378	1,837	2,035
Sales and marketing	1,057	1,015	3,157	2,857
General and administrative	1,541	1,245	4,773	4,109
Other expense	-	-	-	249
(2) Amortization of acquired intangible assets included in the above line items:				
Cost of subscription and support revenue	\$ 547	\$ 376	\$ 1,749	\$ 1,156
Sales and marketing	406	417	1,239	1,246

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

	Nine Months Ended September 30,	
	2023	2022
Operating activities		
Net loss	\$ (20,372)	\$ (3,618)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	12,244	7,141
Stock-based compensation	10,440	9,969
Provision for reserves on accounts receivable	138	166
Changes in assets and liabilities:		
Accounts receivable	(4,556)	(1,871)
Prepaid expenses and other current assets	(684)	(1,351)
Other assets	1,042	38
Accounts payable	3,065	863
Accrued expenses	(6,737)	(242)
Operating leases	(291)	5,202
Deferred revenue	6,017	3,452
Net cash provided by (used in) operating activities	<u>306</u>	<u>12,749</u>
Investing activities		
Cash paid for acquisition, net of cash acquired	-	(13,215)
Purchases of property and equipment, net of returns	(2,820)	(8,617)
Capitalization of internal-use software costs	(10,037)	(9,678)
Net cash used in investing activities	<u>(12,857)</u>	<u>(31,510)</u>
Financing activities		
Proceeds from exercise of stock options	-	142
Deferred acquisition payments	(1,700)	-
Other financing activities	(256)	(50)
Net cash (used in) provided by financing activities	<u>(1,956)</u>	<u>92</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(965)</u>	<u>(2,722)</u>
Net decrease in cash and cash equivalents	(15,472)	(14,391)
Cash and cash equivalents at beginning of period	31,894	45,739
Cash and cash equivalents at end of period	<u>\$ 16,422</u>	<u>\$ 31,348</u>

Brightcove Inc.
Reconciliation of GAAP Gross Profit, GAAP Loss (Income) From Operations, GAAP Net Loss and GAAP Net Loss Per Share to
Non-GAAP Gross Profit, Non-GAAP Income (Loss) From Operations, Non-GAAP Net (Loss) Income and Non-GAAP Net (Loss) Income Per Share
(in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
GROSS PROFIT:				
GAAP gross profit	\$ 31,719	\$ 33,881	\$ 93,002	\$ 104,023
Stock-based compensation expense	214	208	673	719
Amortization of acquired intangible assets	547	376	1,749	1,156
Restructuring	6	-	104	-
Non-GAAP gross profit	<u>\$ 32,486</u>	<u>\$ 34,465</u>	<u>\$ 95,528</u>	<u>\$ 105,898</u>
GAAP gross profit as a percentage of revenue	62%	63%	62%	64%
Stock-based compensation expense	0.4%	0.4%	0.4%	0.4%
Amortization of acquired intangible assets	1.1%	0.7%	1.2%	0.7%
Restructuring	0.0%	0.0%	0.1%	0.0%
Non-GAAP gross profit as a percentage of revenue	<u>64%</u>	<u>64%</u>	<u>63%</u>	<u>65%</u>
INCOME (LOSS) FROM OPERATIONS:				
GAAP loss from operations	\$ (2,291)	\$ (821)	\$ (19,377)	\$ (2,076)
Stock-based compensation expense	3,410	2,846	10,440	9,720
Amortization of acquired intangible assets	953	793	2,988	2,402
Merger-related	117	-	307	747
Restructuring	74	-	2,830	-
Other expense	-	-	-	1,149
Non-GAAP income (loss) from operations	<u>\$ 2,263</u>	<u>\$ 2,818</u>	<u>\$ (2,812)</u>	<u>\$ 11,942</u>
NET INCOME (LOSS):				
GAAP net loss	\$ (2,421)	\$ (1,680)	\$ (20,372)	\$ (3,618)
Stock-based compensation expense	3,410	2,846	10,440	9,720
Amortization of acquired intangible assets	953	793	2,988	2,402
Merger-related	117	-	307	747
Restructuring	74	-	2,830	-
Other expense	-	-	-	1,149
Non-GAAP net income (loss)	<u>\$ 2,133</u>	<u>\$ 1,959</u>	<u>\$ (3,807)</u>	<u>\$ 10,400</u>
GAAP diluted net loss per share	<u>\$ (0.06)</u>	<u>\$ (0.04)</u>	<u>\$ (0.47)</u>	<u>\$ (0.09)</u>
Non-GAAP diluted net income (loss) per share	<u>\$ 0.05</u>	<u>\$ 0.05</u>	<u>\$ (0.09)</u>	<u>\$ 0.25</u>
Shares used in computing GAAP diluted net loss per share	43,332	41,972	42,976	41,712
Shares used in computing Non-GAAP diluted net income per share	43,364	42,148	42,976	42,080

Brightcove Inc.
Calculation of Adjusted EBITDA
(in thousands)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Net loss	\$ (2,421)	\$ (1,680)	\$ (20,372)	\$ (3,618)
Other expense, net	(130)	668	(9)	1,880
Loss (benefit) from income taxes	260	191	1,004	(338)
Depreciation and amortization	4,236	2,914	12,244	7,141
Stock-based compensation expense	3,410	2,846	10,440	9,720
Merger-related	117	-	307	747
Restructuring	74	-	2,830	-
Other expense	-	-	-	1,149
Adjusted EBITDA	<u>\$ 5,546</u>	<u>\$ 4,939</u>	<u>\$ 6,444</u>	<u>\$ 16,681</u>

Brightcove Inc.

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

	<u>Three Months Ended September 30,</u> <u>2023</u>	<u>Nine Months Ended September 30,</u> <u>2023</u>
Total revenue	\$ 50,980	\$ 151,031
Constant currency adjustment	323	161
Total revenue on a constant currency basis	<u>\$ 51,303</u>	<u>\$ 151,192</u>
	<u>Three Months Ended September 30,</u> <u>2023</u>	<u>Nine Months Ended September 30,</u> <u>2023</u>
Adjusted EBITDA	\$ 5,546	\$ 6,444
Constant currency adjustment	636	860
Adjusted EBITDA on a constant currency basis	<u>\$ 6,182</u>	<u>\$ 7,304</u>

**THANK
YOU**