

Q2'24 EARNINGS

August 7, 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, as amended, including statements concerning our financial guidance for the third 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 management's beliefs as of today and should not be reflected upon as representing our views as of any subsequent date. These statements are subject to a variety of risks, uncertainties, and changes in circumstances that are difficult to predict and many of which are outside of our control. 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 subsequent 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 the most directly comparable GAAP financial measures versus non-GAAP measures available in our press release issued after market close 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

Q2 FINANCIAL RESULTS

\$49.2M

Total revenue

-3% YoY

\$3.8M

Adj. EBITDA

8% margin

\$24.2M

Ending cash and cash equivalents

+\$1.3M QoQ

BUSINESS RESULTS

SECOND QUARTER HIGHLIGHTS

ADD-ON GROWTH

+25%

vs Trailing 4 Quarters

RECORD ARPU

\$99K

RECORD >12 MONTH BACKLOG

\$59M

OPERATING EXPENSES

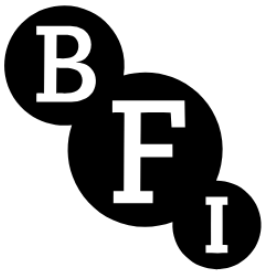
10%

GAAP YoY
Improvement

6%

Non-GAAP YoY
Improvement

KEY Q2 MEDIA DEALS



J:COM

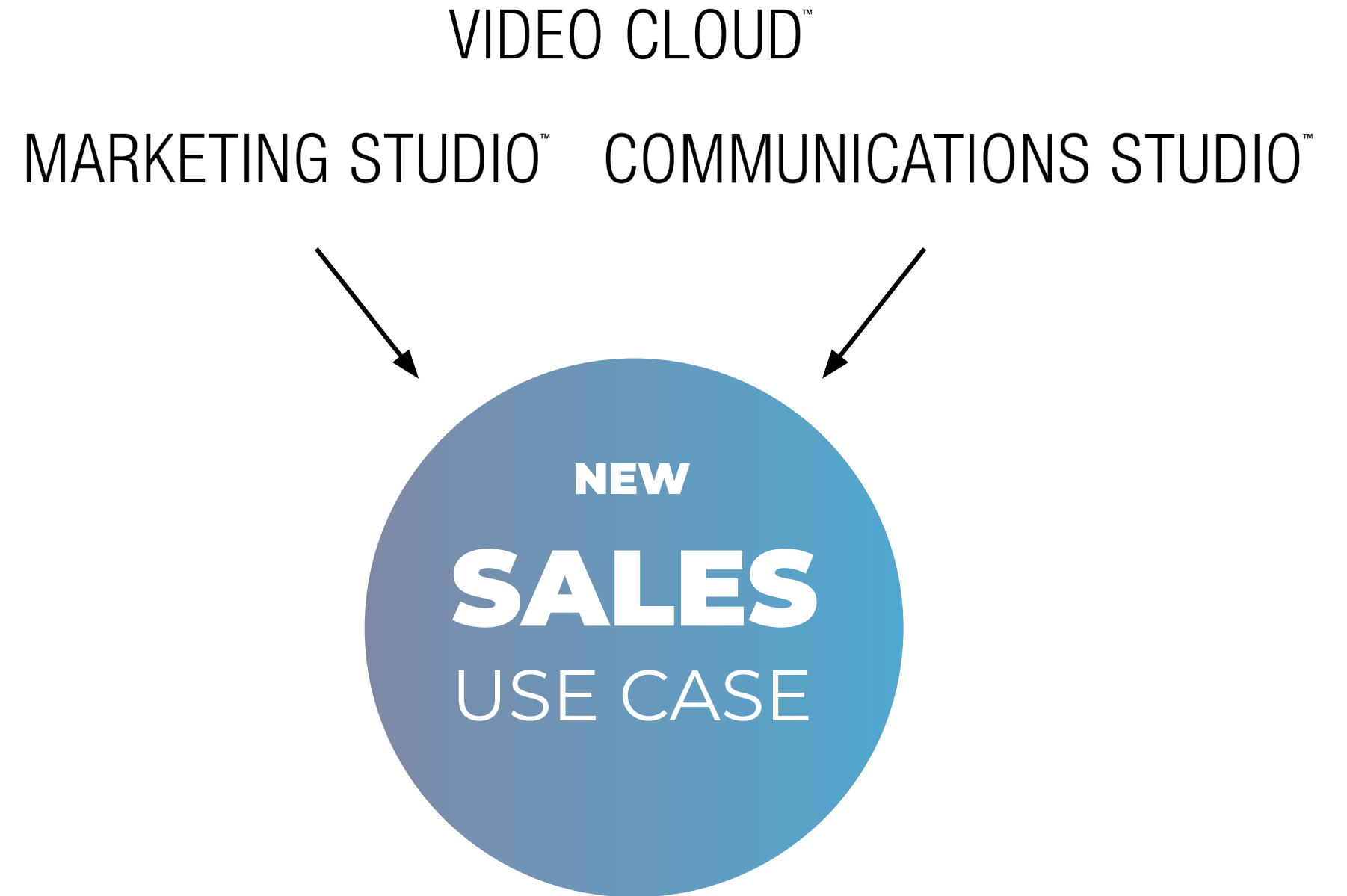


KEY Q2 ENTERPRISE DEALS



PRODUCT INNOVATION

Revamp and redeploy existing product capabilities to address new use cases



OUR AI STRATEGY

Accelerate our customers' growth, optimization and efficiency with a **secure, open, intelligent, integrated** (and eventually automated) **platform**.

STRATEGY

GROWTH & OPTIMIZATION

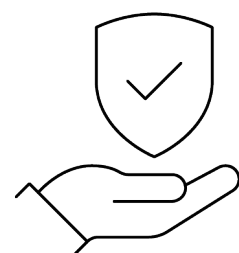
Grow Audience, Drive Engagement, Increase Revenue

- ▶ Deliver analytics, insights & automation
- ▶ Create compelling content
- ▶ Personalize content
- ▶ Improve Monetization, conversion & engagement

EFFICIENCY

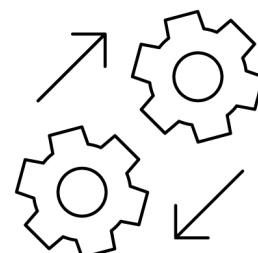
Reduce Costs & Time

- ▶ Reduce costs (content production, storage & delivery, labor)
- ▶ Improve quality of content delivery & employee engagement
- ▶ Increase speed to market



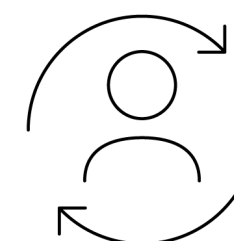
SECURE DATA & CONTENT INCLUSION

Your content and data are safe with us



DEEPLY INTEGRATED & FLEXIBLE

With our system and our customers' systems



AUTOMATION (engagement flywheel)

Insights to Actions to Automation



PARTNER ENHANCED

Utilizing best engines available

DIFFERENTIATION

FINANCIALS

JOHN WAGNER
Chief Financial Officer

REVENUE

BEAT HIGH END OF GUIDANCE

\$49.2
MILLION

Down
3%
YoY



SUBSCRIPTION BACKLOG

12 MONTH

>12 MONTHS

TOTAL

**RECORD >12 MONTHS
BACKLOG**

\$123.3M

-1% YoY

\$559.0M

+14% YoY

\$182.2M

+3% YoY

ARPU

ALL TIME RECORD

\$99K

Average annual
subscription revenue
per premium customer

UP
4%
YoY



GAAP NET LOSS AND EPS

(\$5.2)

MILLION

EPS (\$0.12)

ADJUSTED EBITDA

BEAT HIGH END OF GUIDANCE

\$3.8

MILLION

8% of Revenue

FINANCIAL RESULTS

REVENUE

\$49.2
MILLION

Down
3%
YoY



GAAP NET LOSS

(\$5.2)
MILLION

ADJUSTED EBITDA

\$3.8
MILLION

8%
of
revenue

CASH BALANCE & QoQ NET INCREASE IN CASH

\$24.2M

Cash and cash equivalents

+\$1.3M

Q2 Net Increase in Cash & Cash equivalents

+\$1.8M

Q2 Free Cash Flow

GUIDANCE

	Q3'24		FY'24	
	LOW	HIGH	LOW	HIGH
Revenue	\$48M	\$49M	\$195.5M	\$198M
Non-GAAP Op Inc/(Loss)	(\$2M)	(\$1M)	(\$2.5M)	(\$1M)
Adjusted EBITDA	\$2.5M	\$3.5M	\$14.5M	\$16M
Non-GAAP EPS	(\$0.05)	(\$0.03)	(\$0.08)	(\$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 expense, gain on sales of assets, and restructuring 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 and amortization expense, including the amortization of acquired intangible assets, stock-based compensation expense, merger-related expense, gain on sales of assets, and restructuring 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>June 30, 2024</u>	<u>December 31, 2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 24,170	\$ 18,615
Accounts receivable, net of allowance	28,207	33,451
Prepaid expenses and other current assets	19,780	18,333
Total current assets	<u>72,157</u>	<u>70,399</u>
Property and equipment, net	38,882	42,476
Operating lease right-of-use asset	17,896	16,233
Intangible assets, net	4,524	6,368
Goodwill	74,859	74,859
Other assets	4,719	5,772
Total assets	<u>\$ 213,037</u>	<u>\$ 216,107</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 6,492	\$ 14,422
Accrued expenses	19,918	17,566
Operating lease liability	4,261	4,486
Deferred revenue	68,255	68,155
Total current liabilities	<u>98,926</u>	<u>104,629</u>
Operating lease liability, net of current portion	18,983	17,358
Other liabilities	192	207
Total liabilities	<u>118,101</u>	<u>122,194</u>
Stockholders' equity:		
Common stock	45	44
Additional paid-in capital	334,269	328,918
Treasury stock, at cost	(871)	(871)
Accumulated other comprehensive loss	(1,894)	(1,236)
Accumulated deficit	(236,613)	(232,942)
Total stockholders' equity	<u>94,936</u>	<u>93,913</u>
Total liabilities and stockholders' equity	<u>\$ 213,037</u>	<u>\$ 216,107</u>

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



	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue:				
Subscription and support revenue	\$ 47,397	\$ 49,013	\$ 95,366	\$ 96,115
Professional services and other revenue	1,850	1,975	4,362	3,936
Total revenue	<u>49,247</u>	<u>50,988</u>	<u>99,728</u>	<u>100,051</u>
Cost of revenue: (1) (2)				
Cost of subscription and support revenue	17,277	16,603	34,084	34,868
Cost of professional services and other revenue	2,130	1,898	4,945	3,900
Total cost of revenue	<u>19,407</u>	<u>18,501</u>	<u>39,029</u>	<u>38,768</u>
Gross profit	<u>29,840</u>	<u>32,487</u>	<u>60,699</u>	<u>61,283</u>
Operating expenses: (1) (2)				
Research and development	8,975	10,345	17,824	20,211
Sales and marketing	17,080	19,034	33,534	38,499
General and administrative	8,822	9,405	18,366	19,469
Merger-related	-	45	-	190
Gain on sale of assets	-	-	(6,000)	-
Total operating expenses	<u>34,877</u>	<u>38,829</u>	<u>63,724</u>	<u>78,369</u>
Loss from operations	<u>(5,037)</u>	<u>(6,342)</u>	<u>(3,025)</u>	<u>(17,086)</u>
Other income (expense), net	49	422	11	(121)
Loss before income taxes	<u>(4,988)</u>	<u>(5,920)</u>	<u>(3,014)</u>	<u>(17,207)</u>
Provision for income taxes	257	317	657	744
Net loss	<u>\$ (5,245)</u>	<u>\$ (6,237)</u>	<u>\$ (3,671)</u>	<u>\$ (17,951)</u>
Net loss per share—basic and diluted				
Basic	<u>\$ (0.12)</u>	<u>\$ (0.14)</u>	<u>\$ (0.08)</u>	<u>\$ (0.42)</u>
Diluted	<u>(0.12)</u>	<u>(0.14)</u>	<u>(0.08)</u>	<u>(0.42)</u>
Weighted-average shares—basic and diluted				
Basic	44,731	43,059	44,357	42,795
Diluted	44,731	43,059	44,357	42,795
(1) Stock-based compensation included in above line items:				
Cost of subscription and support revenue	\$ 122	\$ 129	\$ 228	\$ 267
Cost of professional services and other revenue	71	92	111	192
Research and development	476	551	791	1,239
Sales and marketing	1,183	931	1,537	2,100
General and administrative	1,307	1,784	2,705	3,232
(2) Amortization of acquired intangible assets included in the above line items:				
Cost of subscription and support revenue	\$ 520	\$ 601	\$ 1,040	\$ 1,202
Sales and marketing	402	417	804	833

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



	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating activities				
Net loss	\$ (5,245)	\$ (6,237)	\$ (3,671)	\$ (17,951)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	5,167	4,059	10,084	8,008
Stock-based compensation	3,159	3,487	5,372	7,030
Provision for reserves on accounts receivable	65	155	(16)	222
Gain on sale of assets	-	-	(6,000)	-
Changes in assets and liabilities:				
Accounts receivable	6,887	10,494	5,087	(4,219)
Prepaid expenses and other current assets	(137)	(896)	(1,035)	(1,882)
Other assets	505	488	970	802
Accounts payable	(3,653)	2,420	(7,531)	3,376
Accrued expenses	711	(1,475)	2,438	(5,474)
Operating leases	(132)	(93)	(262)	(174)
Deferred revenue	(3,306)	(1,592)	612	8,440
Net cash provided by (used in) operating activities	4,021	10,810	6,048	(1,822)
Investing activities				
Gain on sale of patents	-	-	6,000	-
Purchases of property and equipment, net of returns	(340)	(376)	(1,157)	(1,328)
Capitalization of internal-use software costs	(1,847)	(3,303)	(4,029)	(7,233)
Net cash provided by (used in) investing activities	(2,187)	(3,679)	814	(8,561)
Financing activities				
Deferred acquisition payments	-	-	-	(1,700)
Other financing activities	-	(31)	(239)	(256)
Net cash used in financing activities	-	(31)	(239)	(1,956)
Effect of exchange rate changes on cash and cash equivalents	(533)	(485)	(1,068)	(462)
Net increase (decrease) in cash and cash equivalents	1,301	6,615	5,555	(12,801)
Cash and cash equivalents at beginning of period	22,869	12,478	18,615	31,894
Cash and cash equivalents at end of period	\$ 24,170	\$ 19,093	\$ 24,170	\$ 19,093

**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 (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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
GROSS PROFIT:				
GAAP gross profit	\$ 29,840	\$ 32,487	\$ 60,699	\$ 61,283
Stock-based compensation expense	193	221	339	459
Amortization of acquired intangible assets	520	601	1,040	1,202
Restructuring expense	21	98	193	98
Non-GAAP gross profit	\$ 30,574	\$ 33,407	\$ 62,271	\$ 63,042
GAAP gross profit as a percentage of revenue	61%	64%	61%	61%
Stock-based compensation expense	0.4%	0.4%	0.3%	0.5%
Amortization of acquired intangible assets	1.1%	1.2%	1.0%	1.2%
Restructuring expense	0.0%	0.2%	0.2%	0.1%
Non-GAAP gross profit as a percentage of revenue	62%	66%	62%	63%
(LOSS) INCOME FROM OPERATIONS:				
GAAP loss from operations	\$ (5,037)	\$ (6,342)	\$ (3,025)	\$ (17,086)
Stock-based compensation expense	3,159	3,487	5,372	7,030
Amortization of acquired intangible assets	922	1,018	1,844	2,035
Merger-related expense	-	45	-	190
Restructuring expense	479	2,329	2,316	2,756
Gain on sale of assets	-	-	(6,000)	-
Non-GAAP (loss) income from operations	\$ (477)	\$ 537	\$ 507	\$ (5,075)
NET (LOSS) INCOME:				
GAAP net loss	\$ (5,245)	\$ (6,237)	\$ (3,671)	\$ (17,951)
Stock-based compensation expense	3,159	3,487	5,372	7,030
Amortization of acquired intangible assets	922	1,018	1,844	2,035
Merger-related expense	-	45	-	190
Restructuring expense	479	2,329	2,316	2,756
Gain on sale of assets	-	-	(6,000)	-
Non-GAAP net (loss) income	\$ (685)	\$ 642	\$ (139)	\$ (5,940)
GAAP diluted net loss per share	\$ (0.12)	\$ (0.14)	\$ (0.08)	\$ (0.42)
Non-GAAP diluted net (loss) income per share	\$ (0.02)	\$ 0.01	\$ (0.00)	\$ (0.14)
Shares used in computing GAAP diluted net loss per share	44,731	43,059	44,357	42,795
Shares used in computing Non-GAAP diluted net income per share	44,731	43,149	44,357	42,795

Brightcove Inc.
Calculation of Adjusted EBITDA
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss	\$ (5,245)	\$ (6,237)	\$ (3,671)	\$ (17,951)
Stock-based compensation expense	3,159	3,487	5,372	7,030
Depreciation and amortization	5,167	4,059	10,084	8,008
Merger-related expense	-	45	-	190
Restructuring expense	479	2,329	2,316	2,756
Gain on sale of assets	-	-	(6,000)	-
Other (income) expense, net	(49)	(422)	(11)	121
Provision for income taxes	257	317	657	744
Adjusted EBITDA	\$ 3,768	\$ 3,578	\$ 8,747	\$ 898

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 June 30,</u> <u>2024</u>	<u>Six Months Ended June 30,</u> <u>2024</u>
Total revenue	\$ 49,247	\$ 99,728
Constant currency adjustment	459	679
Total revenue on a constant currency basis	<u>\$ 49,706</u>	<u>\$ 100,407</u>
	<u>Six Months Ended June 30,</u> <u>2024</u>	<u>Six Months Ended June 30,</u> <u>2024</u>
Adjusted EBITDA	\$ 3,768	\$ 8,747
Constant currency adjustment	258	358
Adjusted EBITDA on a constant currency basis	<u>\$ 4,026</u>	<u>\$ 9,105</u>