

Haivision Announces Results for the Three Months Ended January 31, 2025

MONTREAL, March 13, 2025 /CNW/ - [Haivision Systems Inc.](#) ("**Haivision**" or the "**Company**") (TSX: HAI), a leading global provider of mission critical, real-time video networking and visual collaboration solutions, today announced its results for the first quarter ended January 31, 2025.

"Our transition from the systems integrator model to that of a manufacturer in the control rooms space is complete," said Mirko Wicha, President and CEO of Haivision. "With the recent increase in control room business, together with the U.S. Navy production contract kicking into gear, we expect our second half revenue to be compelling" added Mr. Wicha.

Q1 2025 Financial Results

- Revenue of \$28.2 million was down \$6.4 million from the same prior year period, the result of delays in certain procurement processes and our continued transition away from the integrator model in the control room space
- Gross Margins* were 72.0%, compared to 72.9% for the same prior year period.
- Total expenses were \$22.5 million, a decrease of \$0.5 million from same prior year period.
- Operating loss was \$2.2 million, compared to operating income of \$2.3 million for same prior year period.
- Adjusted EBITDA* was \$0.4 million, compared to \$5.2 million for the same prior year period.
- Adjusted EBITDA Margins* was 1.4% compared to 14.9% for the same prior year period.
- Net loss was \$1.1 million, compared to net income of \$1.3 million for the same prior year period.

Recent Company Highlights

- Published its sixth annual Broadcast Transformation Report, highlighting the state of technology adoption in the broadcast industry.
- Haivision wins ISE Best in Show award for Haivision Command 360 video wall solutions for operations centers.
- Awarded the IBC Innovation Award for its live video contribution solution over private 5G networks at the summer games in Paris.
- Haivision joins consortium with Airbus Defense and Space to develop new technologies for rapid, secure, and reliable communications.
- Haivision MCS awarded US\$61.2 million (CAD\$82 million) production agreement by U.S. Navy for next-generation combat visualization and video distribution systems.
- Haivision collaborates with Shield AI to bring together full-motion video with AI object detection for defense and ISR applications.
- France Television provides exclusive coverage of the Paris 2024 Olympic surfing competition with Haivision's private 5G video transmission ecosystem.
- Celebrated its 20-years anniversary as a leader and innovator in mission critical live video.
- Unveiled Hub 360, a cloud-based master control solution that streamlines live production workflows.

"Although we did experience a modest decline in gross margins in the period, the result of certain fixed production costs on lower overall revenue, we have been able to maintain a consistent cost structure, a significant outcome in an environment of stronger US dollars and Euros. Said Dan Rabinowitz, EVP and Chief Financial Officer. "Fortunately, this efficient cost structure enabled us to continue the trend of positive Adjusted EBITDA even upon weaker than expected first quarter revenues. As we revert to higher revenue growth in the second half of this fiscal year, we anticipate our Adjusted EBITDA margins to revert back to expectation." added Mr. Rabinowitz.

Financial Results

Revenue for the three months ended January 31, 2025 was \$28.2 million a decline of \$6.4 million when compared to the prior year. Revenues were impacted by delays in certain procurement process; and our continued transition away from the integrator model in the control room space. Gross Margin* for the three months ended January 31, 2025 was 72.0% compared to 72.9% the prior year comparable periods. Gross Margin* in quarters with lower revenues may experience compressed Gross Margins* as there are fixed components of COGS Total expenses for the three months ended January 31, 2025 were \$22.5 million a decrease of \$0.5 million from the prior year comparative period largely related to decreases in amortization and depreciation expenses.

Lower year-over-year revenues was a primary driver of the \$2.2 million operating loss for the three months ended January 31, 2025 compared to the \$2.3 million operating income for the prior year comparative period. Similarly, Adjusted EBITDA* for the three months ended January 31, 2025 was \$0.4 million a decrease of \$4.8 million from the prior year comparative period. The results was Adjusted EBITDA Margins* for the three months ended January 31, 2025 of 1.4% compared to 14.9% in the prior year comparative period.

Net loss for the three months ended January 31, 2025, was \$1.1 million compared to net income of \$1.3 million for the prior year comparative period. The \$2.4 million decrease in net income is largely related to the decrease in year-over-year revenue resulting in a \$4.9 million decrease in gross profit. However, this decrease was partially offset by the \$2.0 million decrease in income taxes and the \$0.5 million decrease in total expenses.

*Measures followed by the suffix "***" in this press release are non-IFRS measures. For the relevant definition, see "Non-IFRS Measures" below. As applicable, a reconciliation of this non-IFRS measure to the most directly comparable IFRS financial measure is included in the tables at the end of this press release and in the Company's management's discussion and analysis for the three months ended January 31, 2025.

Conference Call Notification

Haivision will hold a conference call to discuss its fourth quarter and full year financial results on Thursday, March 13, 2025 at 5:15 pm (ET). To register for the call, please use this link <https://registrations.events/direct/Q4I334142>. After registering, a confirmation will be sent through email, including dial in details and unique conference call codes for entry.

Financial Statements, Management's Discussion and Analysis and Additional Information

Haivision's consolidated financial statements for the first quarter ended January 31, 2025 (the "**Q1 Financial Statements**"), the management's discussion and analysis thereon and additional information relating to Haivision and its business can be found under Haivision's profile on SEDAR+ at www.sedarplus.ca. The financial information presented in this release was derived from the Q1 Financial Statements.

Forward-Looking Statements

This release includes "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of applicable securities laws, including, without limitation, statements regarding the Company's growth opportunities and its ability to execute on its growth strategy. In some cases, but not necessarily in all cases, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking statements. Forward-looking statements are not historical facts, nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding future events and operating performance.

Forward-looking statements are necessarily based on opinions, assumptions and estimates that, while considered reasonable by Haivision as of the date of this release, are subject to inherent uncertainties, risks and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking statements include, but are not limited to, the risk factors identified under "Risk Factors" in the Company's latest annual information form, and in other periodic filings that the Company has made and may make in the future with the securities commissions or similar regulatory authorities in Canada, all of which are available under the Company's SEDAR+ profile at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect Haivision. However, such risk factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. Haivision undertakes no obligation to publicly update any forward-looking statement, except as required by applicable securities laws.

Non-IFRS Measures

Haivision's consolidated financial statements for the first quarter ended January 31, 2025 are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). As a complement to results provided in accordance with IFRS, this press release makes reference to certain (i) non-IFRS financial measures, including "EBITDA", and "Adjusted EBITDA", (ii) non-IFRS ratios including "Adjusted EBITDA Margin", and (iii) supplementary financial measures including "Gross Margins" (collectively "**non-IFRS measures**"). These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. Rather, these non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. For information on the most directly comparable financial measure disclosed in the primary financial statements of Haivision, composition of the non-IFRS measures, a description of how Haivision uses these measures and an explanation of how these measures provide useful information to investors, refer to the "Non-IFRS Measures" section of the Company's management's discussion and analysis for the three months ended January 31, 2025, dated March 13, 2025, available on the Company's SEDAR+ profile at www.sedarplus.ca, which is incorporated by reference into this press release. As applicable, the reconciliations for each non-IFRS measure are outlined below. Non-IFRS measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of the Company's performance, liquidity, cash flow and profitability.

About Haivision

Haivision is a leading global provider of mission-critical, real-time video streaming and visual collaboration solutions. Our connected cloud and intelligent edge technologies enable organizations globally to engage audiences, enhance collaboration, and support decision making. We provide high quality, low latency, secure, and reliable live video at a global scale. Haivision open sourced its award-winning SRT low latency video streaming protocol and founded the SRT Alliance to support its adoption. Awarded four Emmys® for Technology and Engineering from the National Academy of Television Arts and Sciences, Haivision continues to fuel the future of IP video transformation. Founded in 2004, Haivision is headquartered in Montreal and Chicago with offices, sales, and support located throughout the Americas, Europe, and Asia. Learn more at haivision.com.

Thousands of Canadian dollars (except per share amounts)

Three months ended
January 31,

	2025	2024
	(\$)	(\$)
Revenue	28,161	34,579
Cost of sales	7,878	9,386
Gross profit	20,283	25,193
Expenses		
Sales and marketing	6,516	6,655
Operations and support	4,631	3,996
Research and development	7,122	7,028
General and administrative	3,814	4,891
Share-based payment	384	348
	22,467	22,918
Operating (loss) income	(2,184)	2,275
Financial expenses	168	299
(Loss) income before income taxes	(2,352)	1,976
Income taxes		
Current	(1,669)	839
Deferred	396	(140)
	(1,273)	699
Net (loss) income	(1,078)	1,277
Other comprehensive income		
Foreign currency translation adjustment	2,481	(2,576)
Comprehensive income (loss)	1,403	(1,299)
Net loss per share		
Net income (loss) per share (basic and diluted)	\$0.04	\$0.04
Weighted average number of shares outstanding		
Basic	28,358,732	29,029,978
Diluted	28,358,732	30,189,088

Thousands of Canadian dollars

	As at	
	January 31, 2025	October 31, 2024
	\$	\$
Assets		
Current assets		
Cash	16,640	16,471
Trade and other receivables	21,813	23,843
Investment tax credits receivable	2,465	1,941
Income tax receivable	917	—
Inventories	16,374	14,926
Prepaid expenses and deposits	4,089	4,035
	62,298	61,216
Property and equipment	4,336	4,241
Right-of-use assets	5,555	4,669
Intangible assets	10,148	11,241
Goodwill	47,986	46,721
Non-refundable investment tax credits receivable	6,651	6,523
Deferred income taxes	6,893	6,704
	81,569	80,099
	143,867	141,315
Liabilities		
Current liabilities		
Line of credit	4,932	2,227
Trade and other payables	15,873	16,371
Income taxes payable	—	625
Current portion of lease liabilities	1,701	1,380
Current portion of term loans	1,121	1,150
Deferred revenue	14,098	14,245
	37,725	35,998
Lease liabilities	4,542	4,047
Long term debt	3,345	1,463
Deferred revenue	1,169	3,011
	46,781	44,520
Equity		
Share capital	88,682	88,742
Retained earnings	(7,347)	(6,110)
Share-based compensation and other reserves	4,638	5,399
Cumulative translation adjustment	11,113	8,764
	97,086	96,796

142,950	141,315
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Thousands of Canadian dollars

	Three months ended January 31,	
	2025	2024
	(\$)	(\$)
Net (loss) income	(1,078)	1,277
Income Taxes	(1,273)	699
Income before income taxes	(2,352)	1,976
Depreciation	891	838
Amortization	1,299	1,708
Financial expenses	168	299
EBITDA⁽¹⁾	6	4,821
Share-based payment (LTIP)	384	348
Adjusted EBITDA⁽¹⁾	390	5,169
Adjusted EBITDA Margin ⁽¹⁾	1.4 %	14.9 %

Note:

(1) Non-IFRS measure. See "Non-IFRS Measures."

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