



AUDINATE

PIONEERING THE FUTURE OF AV

Macquarie Australia Conference

Leading global Pro-AV technology supplier



4,008

Dante-enabled
products

621

Total OEM
brands licensing
Dante products

13

Locations

> 240k

Professionals
trained on Dante

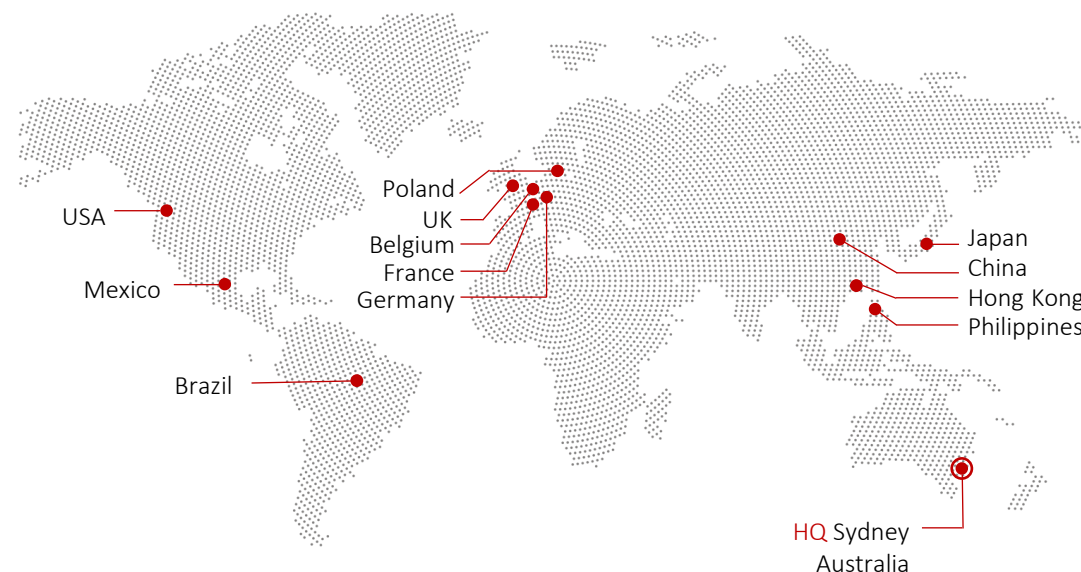
8

Languages
supported

204

Employees

Audinate is the company behind the Dante media networking solution used in the professional AV industry



World-leading technology supplier to Pro-AV



Dante is in millions of devices and can be found in a diverse range of installations and applications across industries, including:



Universities



Conference Rooms



Broadcast Studios



Corporate Campuses



Houses of Worship



Arenas and Stadiums



Recording Studios



Conference Centres



Transportation



Amusement Parks



Zoos



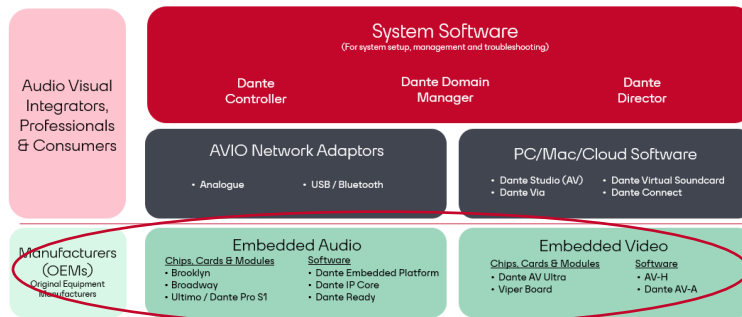
Theatres

OEM Business Model

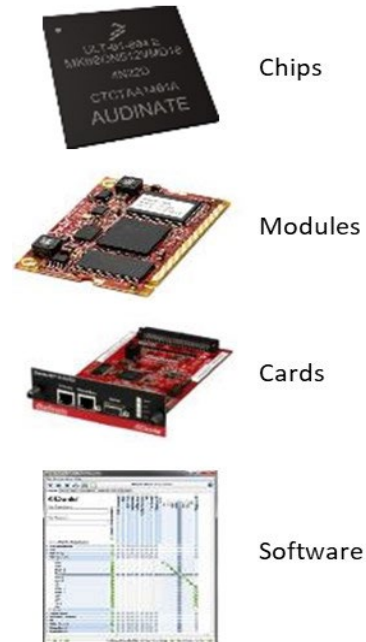


Audinate's Original Equipment Manufacturer (OEMs) customers **purchase** Dante chips, cards & modules and software to **build** inside their ProAV products

Dante Product Map (refer slide 17)



Audinate products



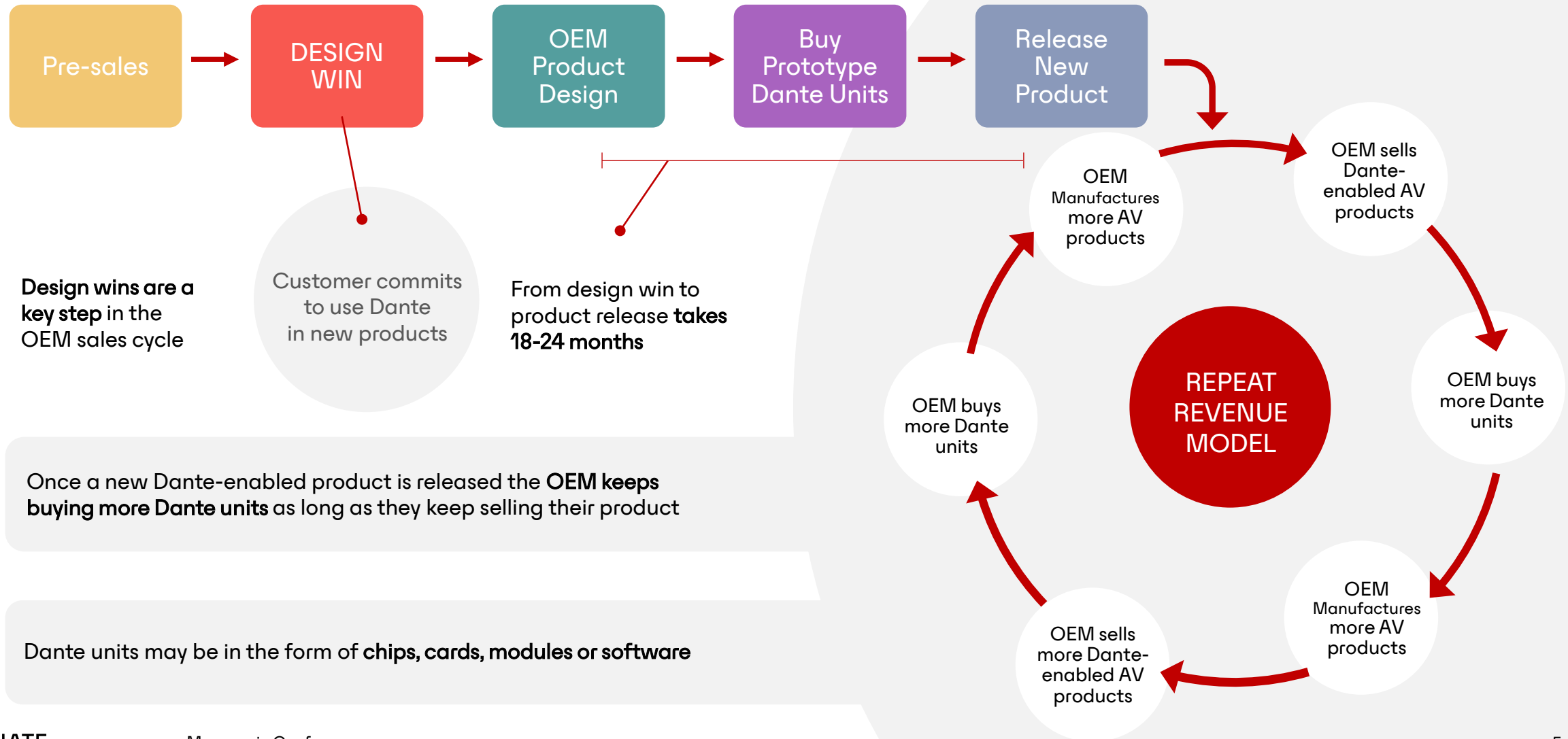
OEM example customers



OEM products



OEM Design Wins Drive Future Revenue Growth



Networked AV Market Opportunity is US\$2 billion



Audio

Revenue opportunity for addressable audio products including speakers, microphones, amplifiers, mixing consoles and signal processors



Video

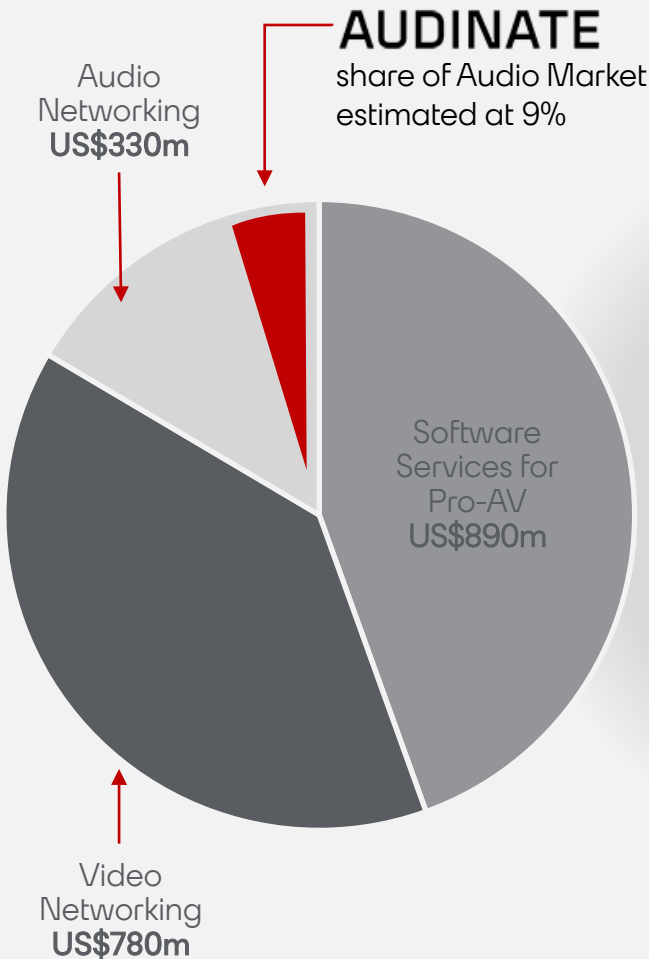
Revenue opportunity for cameras, displays, projectors, signal routing and switching products



Software

Revenue opportunity for management control software (Dante Domain Manager) and Dante PC/Mac software for AV professionals

Audinate Updated TAM* US\$2bn*

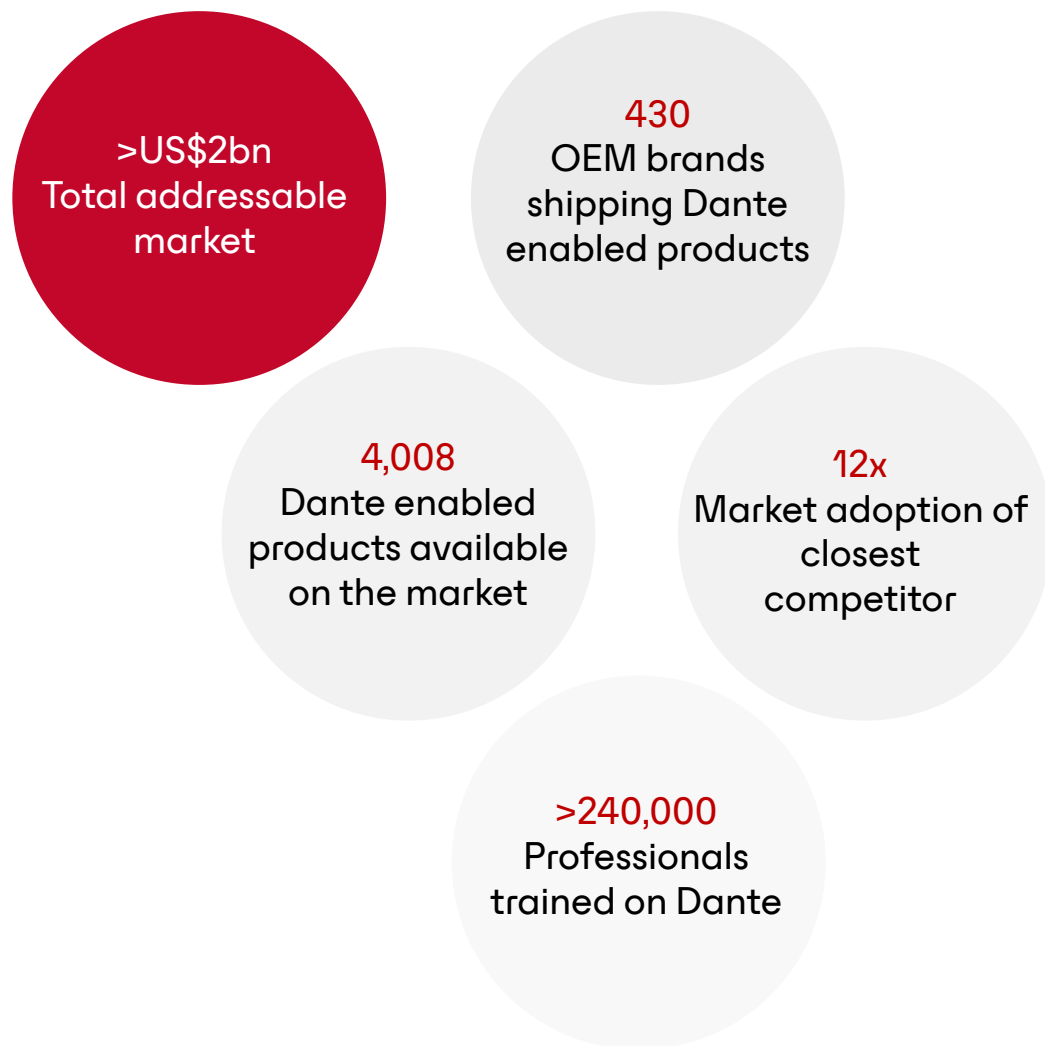


Additional revenue opportunity to fulfill Dante software vision is *incremental* to the TAM and not depicted in the TAM pie chart

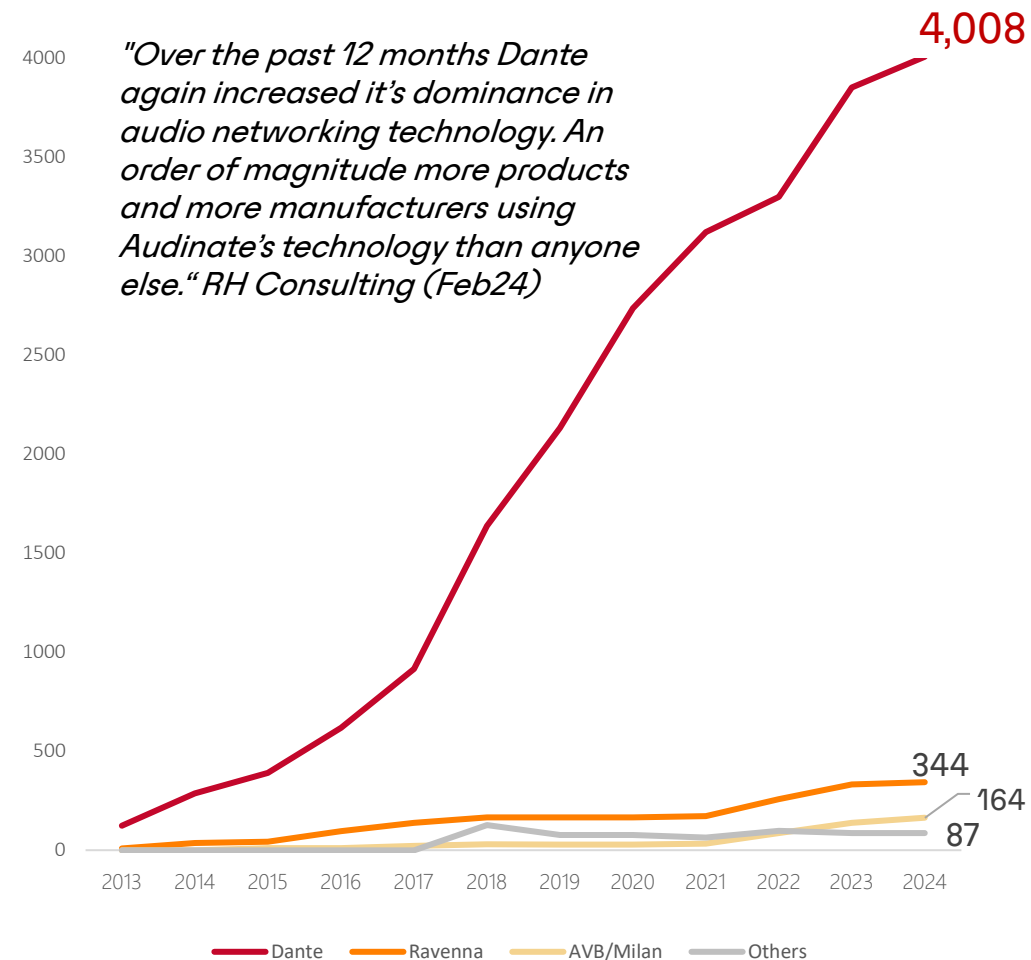
Updated TAM calculation published October 2023

* Based on Omdia research and management estimates

Leading Global Supplier of AV Networking



Total audio products per protocol



1) RH Consulting, Networked Audio Products 2023 and Audinate company data

Video Market Opportunity



 Video signals have a **much larger data rate** than audio signals

 **Video compression** is required - video signals are 3-18Gb/s compared to standard 1Gb/s ethernet cables

 **Video codecs** compress video signals **reducing the data rate**

 **Market fragmentation** relates to three key industry dynamics:

1 Video codecs get chosen based on use-case – creating **incompatibility between products**

2 Video products using **the same video codec** mostly **do not interoperate** between manufacturers

3 Vertically integrated manufacturers create **“walled gardens”** using proprietary video codecs

Dante Video in a nutshell

AV professionals want:

- *Video networking that works like Dante audio*

Video equipment manufacturers (OEMs) want:

- *Simple ways to offer Dante video (and audio)*

Dante AV offers:

- Familiar Dante setup & troubleshooting tools
- Good, better, best implementation choices
- Software stacks for existing chips & products
- Interoperability between same-codec products
- Path to remote management via the cloud

More Growth for Dante Video

In 1H24 we have...

- ✓ Achieved FY24 objective to double the video ecosystem to greater than 30,000 units in field or shipped six months earlier than planned
- 50 OEMs have now licensed Dante video, up from 30 OEMs at 1H23
- 66 Dante video products launched by customers, up from 20 products at 1H23
- Next-generation Dante AV Ultra – first customer product launched at ISE 2024
- Strategy underway to transition legacy Viper board customer to virtual ASSP model – per unit moderation in gross profit dollars in FY25
- Enhanced signal switching speed in Dante Studio resulting in an improved user experience

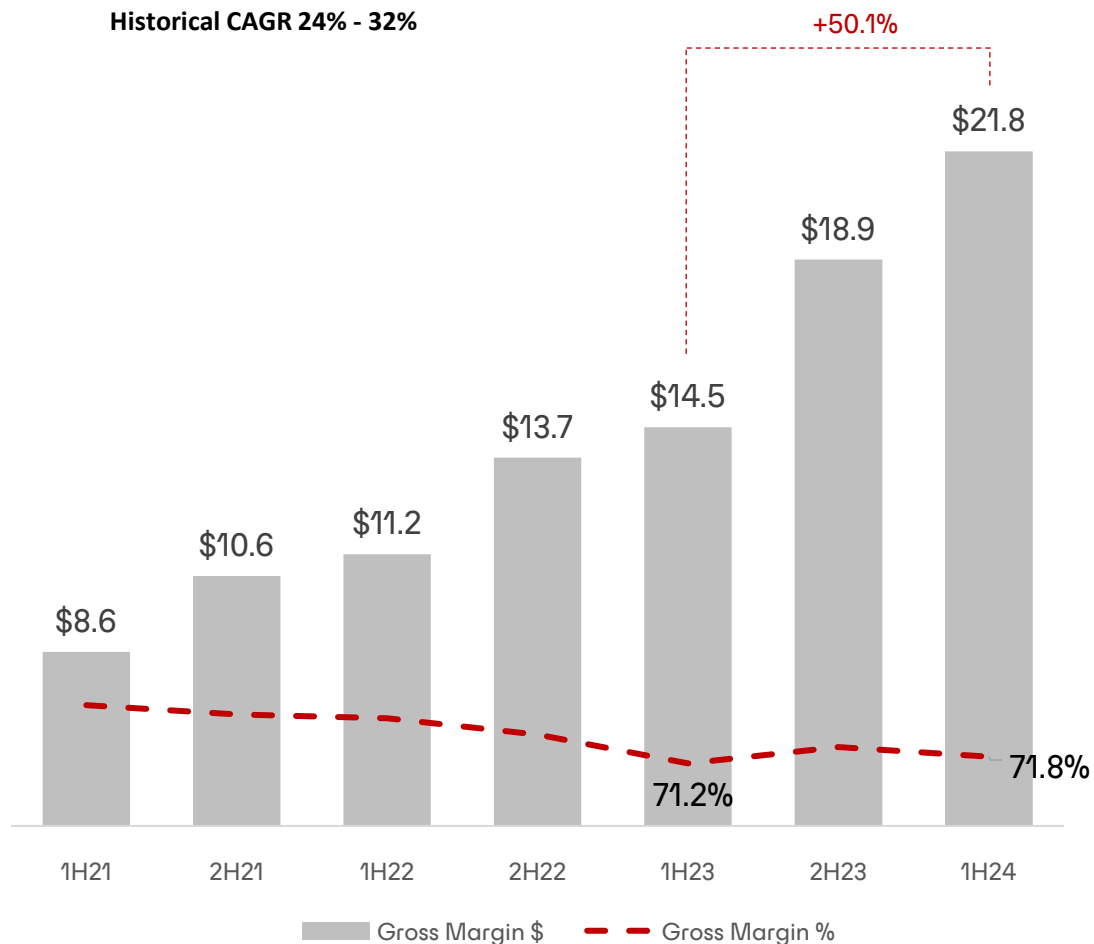


Gross Profit Growth Accelerates



US\$M Gross Profit

Historical CAGR 24% - 32%



Other Key Financial Metrics

Variance
vs 1H23

A\$46.6M	Revenue	51.1%
US\$30.4M	US\$ Revenue	47.7%
71.8%	Gross Margin %	0.6%
A\$10.1M	EBITDA	136.5%
A\$111.7M	Cash & Term Deposits	\$73.8M
A\$5.6M	Profit Before Tax	\$6.0M

FY24 Outlook (per 1H24 Results)

- ➔ Growth in US\$ gross profit dollars consistent with historical performance for the full year (FY24)
- ➔ Ongoing profitability & positive operating cash flow
- ➔ Additional headcount of up to 15% between core and growth opportunities in video, cloud & professional
- ➔ Transition to software by OEMs expected to recommence but likely neutral for gross profit
- ➔ Watchful of potentially softening global economic conditions over 2H24
- ➔ Sales order backlog is reducing to reflect post-COVID shorter lead times for our customers (consistent with our expectations)
- ➔ Actively exploring M&A opportunities to accelerate growth plans in video and cloud, buoyed by stronger balance sheet from capital raise

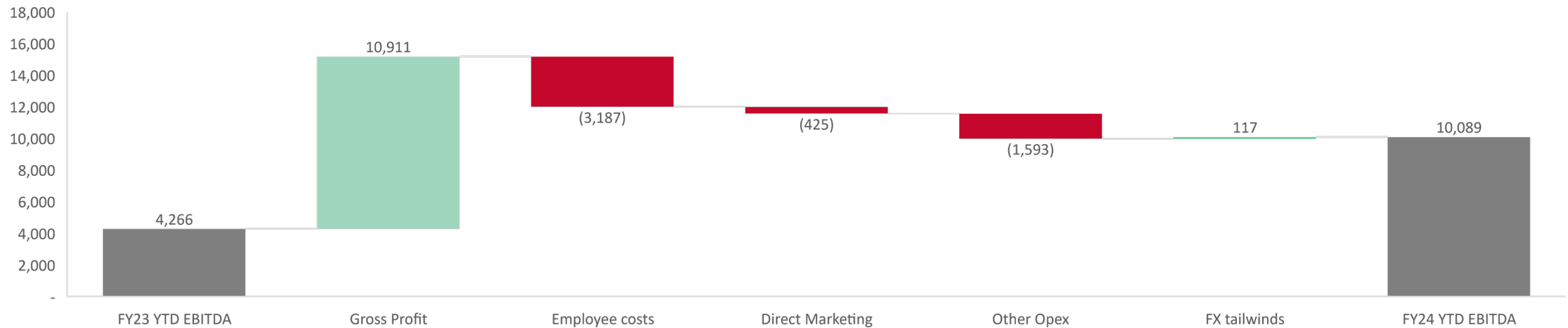


Appendices



>50% of growth in Gross Profit dollars converts to incremental EBITDA

EBITDA Waterfall (A\$'000s)



Notes

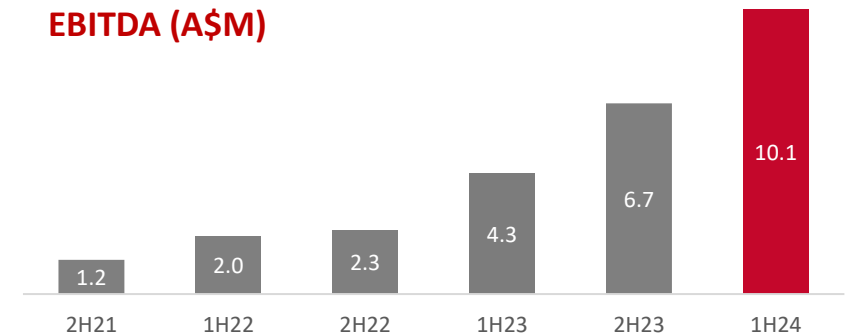
Gross profit dollars reflects A\$15.8M revenue increase

Headcount up from 186 (1H23) to 204 (1H24)

Direct Marketing due to increased advertising and content creation

Increased software spend, travel and professional costs

EBITDA (A\$M)

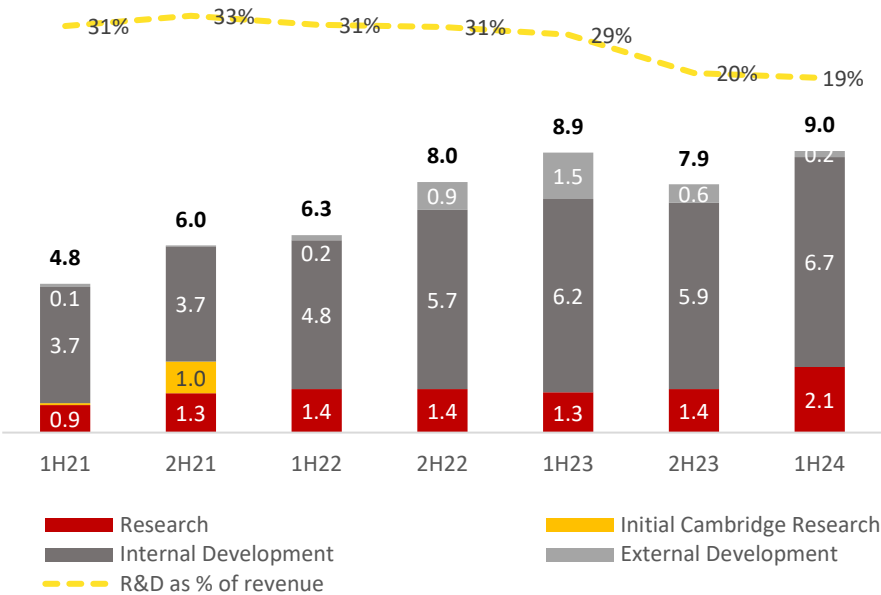


Continuing to balance investment in R&D with improved operating leverage



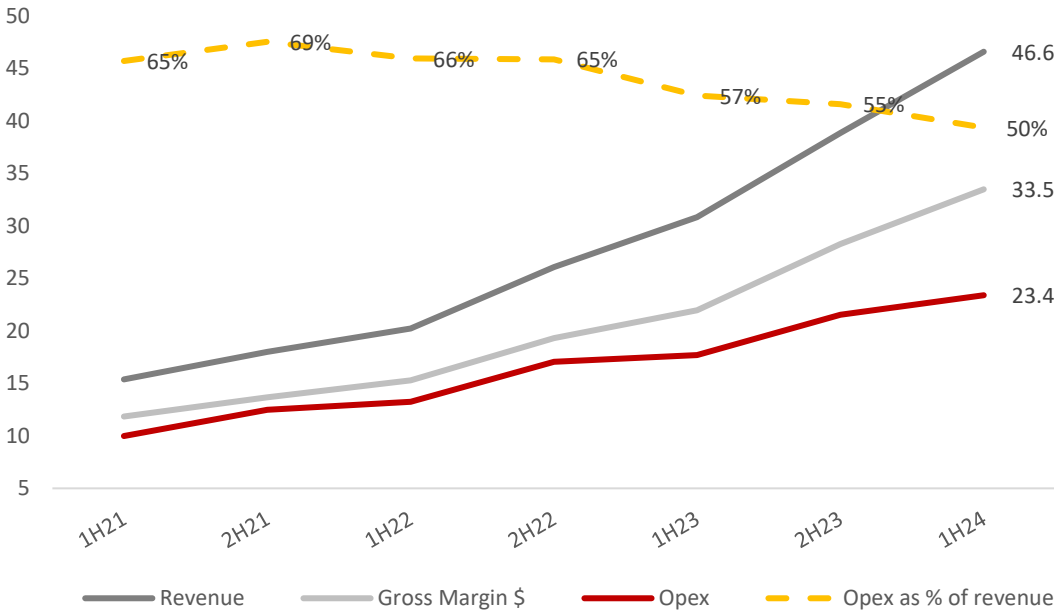
Ongoing focus on innovation and R&D to maximise future growth opportunities

Research and Development (A\$M)



Operating leverage in the cost base is once again evident as additional gross profit drives profitability

Revenue, cost trends (A\$M)



Income Statement



US\$ revenue increased 47.7% to U\$30.4M with
A\$ revenue increasing 51.1% to A\$46.6M

Employee expenses driven by headcount increasing from
186 (1H23) to 204 (1H24) and re-measurement of LTI costs

Sales & Marketing increased due to spend on advertising and
re-branding

Other operating expenses reflect increased software
subscriptions, travel and professional costs

Depreciation and amortisation expenses were higher than 1H23
due to the increased capitalised development costs

Other Income includes \$1.7M interest income post A\$70 million
capital raise

(A\$'000)

	1H24	1H23	Change (%)
Revenue	46,604	30,843	51%
Gross profit	33,481	21,949	53%
Gross Margin %	71.8%	71.2%	
Employee expenses	(17,548)	(13,937)	26%
Sales & marketing expenses	(2,411)	(1,738)	39%
Other operating expenses	(3,433)	(2,008)	71%
Operating expenses	(23,392)	(17,683)	32%
EBITDA	10,089	4,266	137%
Depreciation & amortisation	(5,899)	(5,137)	15%
Interest expense	(69)	(160)	-57%
Foreign currency loss	(195)	(45)	334%
Other income	1,663	691	141%
Profit / (loss) before tax	5,589	(385)	
Income tax	(843)	4	
Profit/(loss) for the year	4,746	(381)	

Cash-flow Statement



1H24 Operating Cashflow to EBITDA Bridge

EBITDA	\$10.1m
Reverse non-cash Share-based payments	\$1.8m
Interest received	\$1.0m
Investment in working capital/other	(\$1.1m)
Cash from operating activities	\$11.8m

>100% cash conversion in 1H24

Payments for intangible assets primarily represent internal employment and overhead expenses capitalised to development costs

Excess cash from capital raise invested in term deposits with greater than 3 months maturity

\$70M capital raise

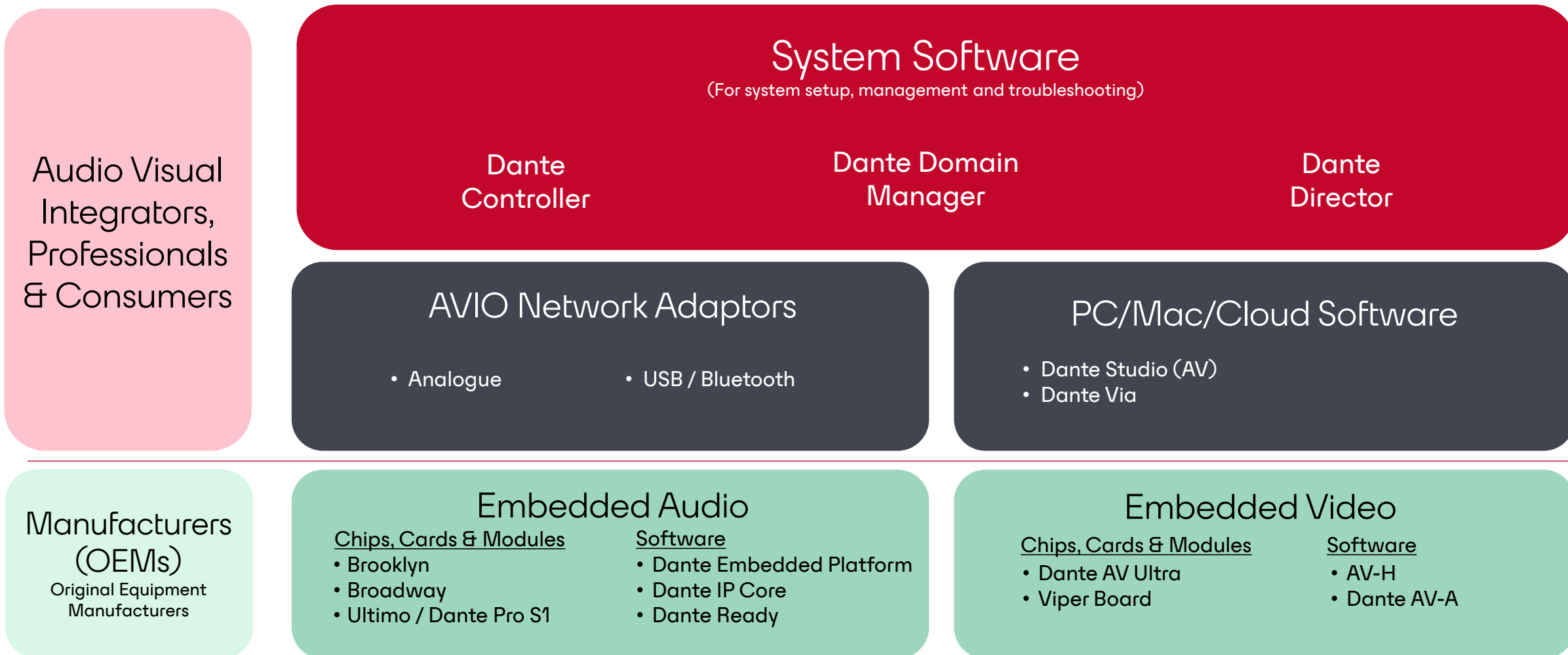
Share issue transaction costs for the capital raise

Positive free cash flow inflow of \$3.4M in 1H24 compared to a negative free cash flow of \$6.8M in 1HFY23

(A\$'000)

	1H24	1H23
Receipts from Customers *	46,631	29,795
Payments to suppliers and employees *	(35,482)	(28,089)
Interest received	1,040	204
Interest paid	(69)	(35)
Income Tax Paid	(352)	(49)
Operating activities	11,768	1,826
Payments for property, plant and equipment *	(395)	(573)
Payment for intangible assets *	(6,827)	(7,458)
Investment in Term Deposits	(33,500)	11,000
Investing activities	(40,722)	2,969
Proceeds from the issue of shares	70,000	-
Share issue transaction costs	(2,117)	(11)
Principal elements of lease payments *	(490)	(475)
Financing activities	67,393	(486)
Net increase / (decrease) in cash	38,349	4,309
Free Cash Flow (sum of *)	3,437	(6,800)

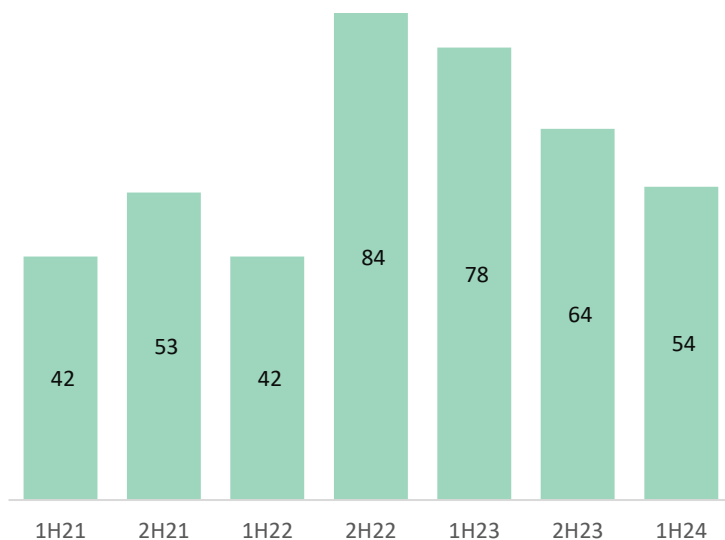
Dante Product Map



OEM Design Wins through to Product Launch

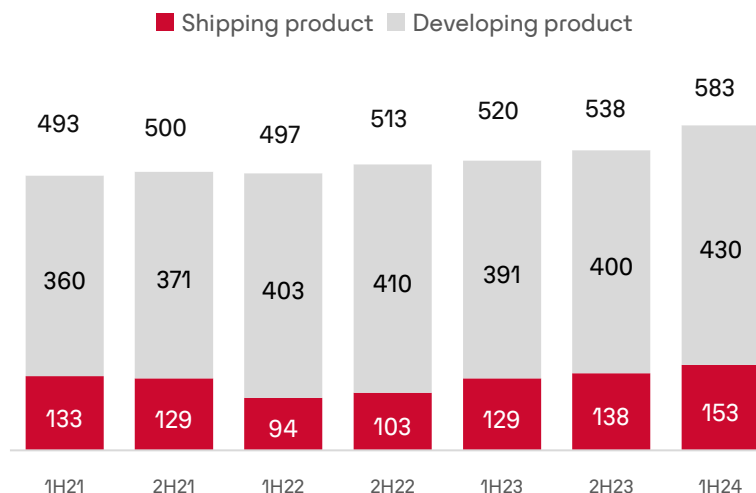


Design Wins



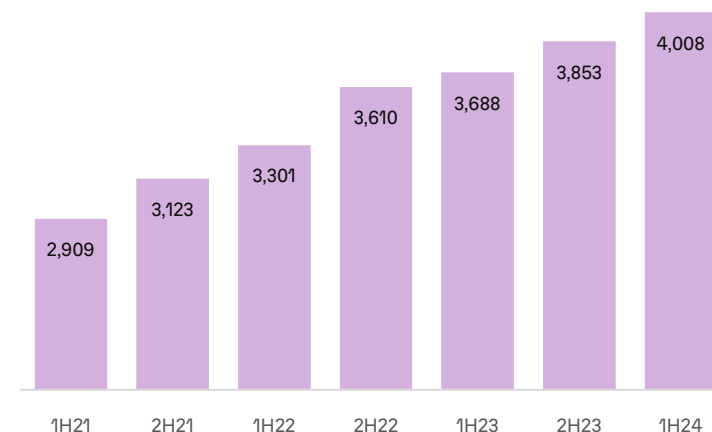
- Moved from an up-front fee to an annual subscription pricing model in mid FY21
- FY22 design wins favourably impacted by chip shortages as customers signed up to DEP and Brooklyn 3 to address constraints

OEM Brands shipping & developing Dante-enabled Products



- 430 OEM brands have announced products in the market
- 153 OEM brands currently developing their first Dante-enabled products
- In total 621 OEM brands have licensed Dante (includes OEMs shipping & developing products, ODMs, parent brands and sundry other)

Dante-enabled Products Ecosystem



- Product ecosystem includes 4,008 Dante-enabled products and growing, with 621 OEMs licensees in total
- 12x number of products than the next digital audio networking technology

Investment Highlights



Global Market Leader

Leading position as de-facto standard in audio networking

12x market adoption of its closest competitor

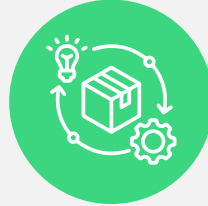


Attractive Financial Profile

Gross margins >70% supported by strong IP

Consistent historical revenue growth from repeat orders

>\$111M cash & term deposits



Innovative Products

Broad intellectual property portfolio developed in Australia

Extensive investment in R&D



Large Market Opportunity

AV just starting digital networking conversion

Audinate is newly entering a fragmented video market

Balance sheet capacity for strategic M&A



Strong Customer Base

Existing customer base of leading global AV companies

Customer base is broad and expanding



Experienced Management

Founder-led

Strong executive team with extensive industry experience

Built Audinate into a market leadership position

ESG Highlights



Employee Engagement & Wellbeing

Top quartile employee engagement

Employee Assistance Program, monthly wellbeing themes, mental health first aiders and wellbeing support tools



Supporting Families

Implemented Paid Parental Leave policy with industry leading leave allowances for primary & secondary carers



Diversity & Inclusion

29% female representation on board

Females represent 21% of workforce and 25% of the Senior Executive Team

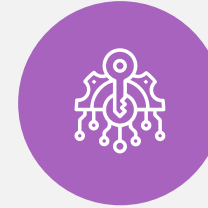
Team comprises people from 26 nationalities, born across 34 countries



Supply Chain Management

Regular audit of key suppliers completed - no substantial ESG risks in our supply chain

Launched Audinate Supplier Code of Conduct



Cyber Security Management

Strengthened IT, privacy and cyber security protection

Global training on cyber security



Environment

Completed initial baseline of global carbon footprint for scope 1 & 2 emissions

Reduced head office impact: sensor lighting, recycling & end of trip facilities

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