



ASX Announcement
 ATOMOS LIMITED (ASX:AMS)
 28 February 2019

Atomos delivers strong growth in 1H2019

1H'19 Highlights:

- Revenue up 32% (pcp) to \$24.2 million
- Gross profit up 26% (pcp) to \$10.5 million
- Pro Forma EBITDA up 194% (pcp) to \$0.7 million
- Completed development of new, highly leverageable, technology platform ('Ninja Platform') and launched the 5" Ninja V monitor recorder with strong market acceptance
- Atomos remains comfortable with FY19 prospectus forecast EBITDA

Global video technology company Atomos (ASX:AMS, "Atomos" or the "Company") is pleased to report its half year results to year end December 2018 (1H'19).

The company has continued its positive momentum leading to revenue growth of 32% on the prior corresponding period (pcp) to reach \$24.2 million (1H'18: \$18.4 million). Gross profit grew 26% on the pcp to \$10.5 million (1H'18: \$8.4 million) while pro forma EBITDA was up 194% on the pcp to \$0.7 million (1H'18: \$0.2 million).

Pro Forma (A\$m)	1H'18	1H'19	Δ pcp
Revenue	18.4	24.2	32%
COGS	(10.0)	(13.7)	(38%)
Gross Profit	8.4	10.5	26%
<i>Gross Profit Margin</i>	45.6%	43.4%	
Wages & Salaries	(3.1)	(3.5)	(12%)
Marketing	(1.2)	(1.8)	(50%)
General & Administration	(1.3)	(2.1)	(56%)
Other	(0.6)	(0.7)	(9%)
Operating Expenses	(6.3)	(8.0)	(28%)
EBITDA (pre R&D)	2.1	2.5	18%
R&D Expenses	(1.8)	(1.7)	5%
EBITDA	0.2	0.7	194%

The result was driven by strong sales of Ninja V after its release in September 2018. Ninja V was the first product released on the Ninja platform, a highly leverageable new technology platform incorporating a redesigned operating system that will underpin a suite of new products over the coming years. The inclusion of Atomos products in bundled offerings by major camera manufacturers assisted the growth in sales during the period.

The Gross Profit (GP) margin during the period was lower than pcp and FY19 prospectus forecast due to higher than anticipated component costs associated with the Ninja V, accentuated by its strong sales. Management have addressed these component costs and envisage monthly run-rate GP margin in line with prospectus forecast by May/June 2019, however full year FY19 GP margin is expected to be lower than outlined in the FY19 prospectus forecast.

Commenting on the 1H'19 result and outlook, Atomos CEO Jeromy Young said: "The first half of 2019 was an exciting period for Atomos with the launch of our highly anticipated 5" Ninja V recorder monitor, which serves as the first product powered by our new hardware platform and redesigned operating system. It was great to see the Ninja V, coupled with our existing product portfolio, delivering such strong sales figures which we will certainly look to build upon in 2H'19. Additionally, after our successful ASX listing, we are now able to aggressively pursue our global growth opportunities and take advantage of the considerable momentum in video across the Social, Pro-Video and Entertainment market segments."

Outlook & FY19 guidance

Subsequent to the end of the half year period, the Company has continued to make strong progress with the launch of the 5" Shinobi monitor-only product, the finalisation of a licence agreement with RED.com LLC and the appointment of Non-Executive Directors Stephen Stanley and Bradley Whitcomb.

For the full year FY19, the Company expects to deliver stronger sales than forecast in the prospectus. As noted above GP margin is expected to improve in 2H'19 compared to 1H'19, however overall FY19 GP margin is expected to be lower than FY19 prospectus forecast. The company remains comfortable with the FY19 EBITDA guidance given in the prospectus.

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Forward looking statements

This announcement contains forward looking statements. All statements that address events or developments that Atomos expects or anticipates will or may occur in the future



and guidance on financial performance are forward looking statements. These forward looking statements are based on the Board or management's beliefs and expectations based on information currently available to the Board and management. The Company believes that these forward looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward looking statements which are inherently uncertain. Atomos does not undertake any obligation to publicly update or revise any forward looking statements whether as a result of new information, future events or otherwise except as required by law or the ASX Listing Rules. Forward looking statements are subject to certain risks and uncertainties many of which are outside its control that could cause actual results, events and developments to differ materially from Atomos' historical experience, or its present expectations or projections.

About Atomos

Atomos is a global video technology company delivering award-winning, simple to use monitor-recorder content creation products. These products give content creators across the rapidly growing social, pro-video and entertainment markets a faster, higher quality and more affordable production system.

Atomos' range of core products take images directly from the sensor of all major camera manufacturers, then enhances, records and distributes them in high-quality formats for content creation using the major video editing software programs. Since being founded in 2010, Atomos has established strategic relationships with key technology providers within the ecosystem including Apple, Adobe, Sony, Canon, Panasonic, Nikon, RED and JVC Kenwood.

Atomos is based in Australia with offices in the USA, Japan, China, UK and Germany and has a worldwide distribution partner network.

For more information please visit **www.atomos.com**

