

Becoming the preferred premium audio brand in Enterprise Solutions and Gaming

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EPOS

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2. Attractive market fundamentals
3. Current situation and strategic focus
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Strong foundation for
future growth

EPOS at a glance

EPOS has its roots in the Sennheiser Communications joint venture established in 2003

EPOS today:

- 500+ employees worldwide
- Enterprise Solutions & Gaming
- Headquarters in Ballerup, Denmark
- Outsourced manufacturing
- R&D in Denmark, China and Hong Kong
 - Outsourced R&D in India (software)
 - R&D partnership with Solaborate (video)
- Global distribution set-up
- Worldwide dedicated sales teams



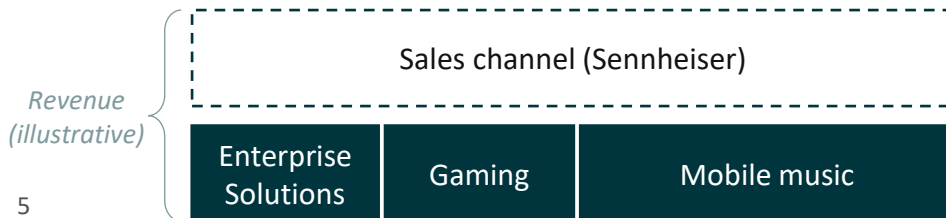
Joint venture with sales through Sennheiser KG

Until 31 December 2019



Joint venture set-up:

- Developing headsets within Enterprise Solutions, Gaming and Mobile Music
- Distributing and selling through joint venture partner, Sennheiser KG
- Successful journey for both parties with revenue CAGR >20%
- Stable investment level and steady development
- Two owners to align on strategy



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Full control, high ambitions and willingness to invest

From 1 January 2020



EPOS

Full control, willingness and ability to do more, meaning:

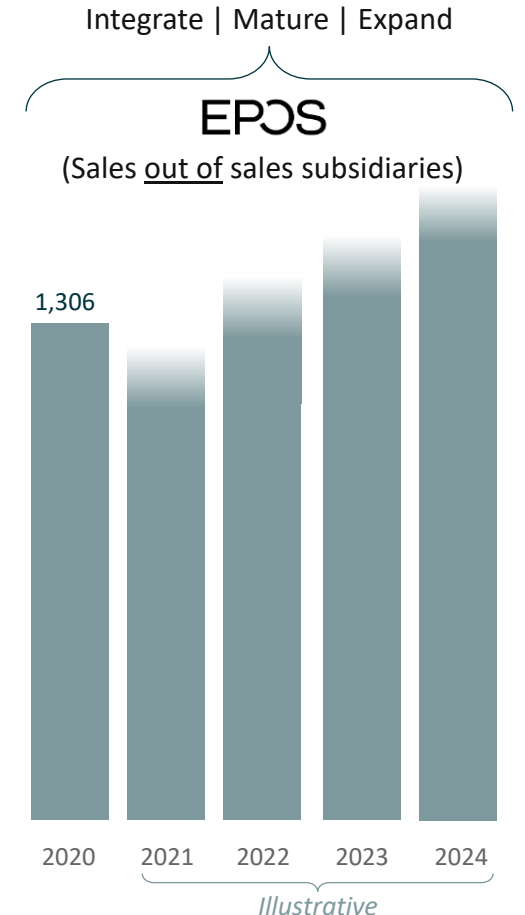
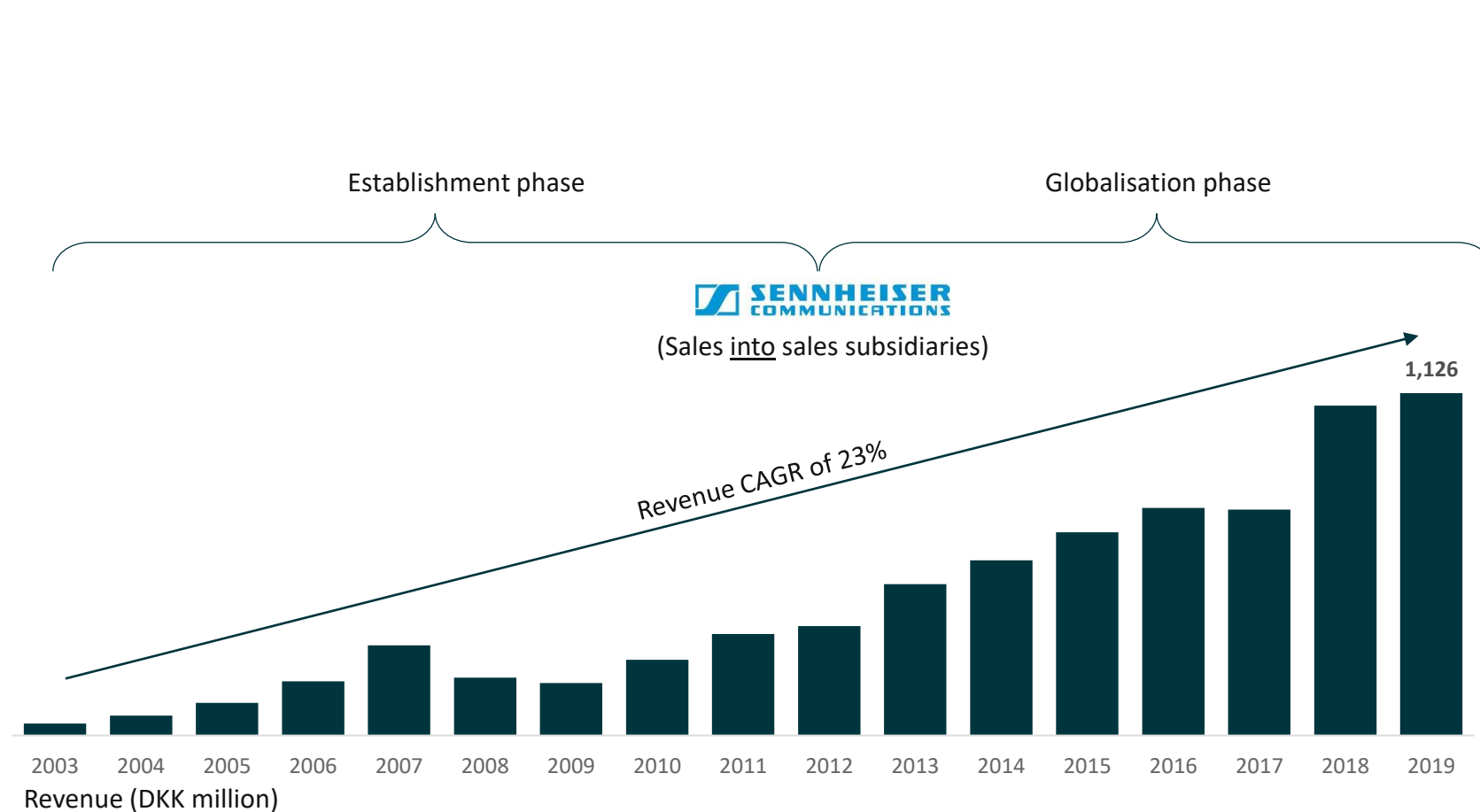
- Ensuring competitive product roadmap in Enterprise Solutions and Gaming
- Entering high-growth video segment
- Building dedicated Gaming sales team
- Investing in the EPOS brand to create a distinct premium position
- Additional investments in R&D, sales and distribution to drive future growth



EPOS

Strong track-record of growth in successful JV – new growth journey ahead for EPOS

We call it “Integrate | Mature | Expand”



The EPOS brand pillars



Pioneering audio technology



Crafted to last, designed to excite



Passion for performance



Few events rely on communication
as much as Formula One.

We will continue to strengthen our position in our core business areas

Strong synergies between Enterprise and Gaming headsets

Enterprise Solutions



Headsets



Meeting room solutions

Approx. 2/3 of revenue

Gaming



Premium gaming audio

Approx. 1/3 of revenue

A complete Enterprise Solutions portfolio



IMPACT

When talk matters

Ensure excellent customer experience with a line of premium audio tools for optimal comfort, easy call handling and rich, natural sound.



ADAPT

Work your way

Wherever you are, ensure flawless business calls and boost your concentration with versatile audio solutions that adapt to the way you work.



EXPAND

Seamless collaboration

Expand your ability to collaborate across workspaces, locations and time zones, with plug-and-play conference solutions for unrivalled audio clarity.

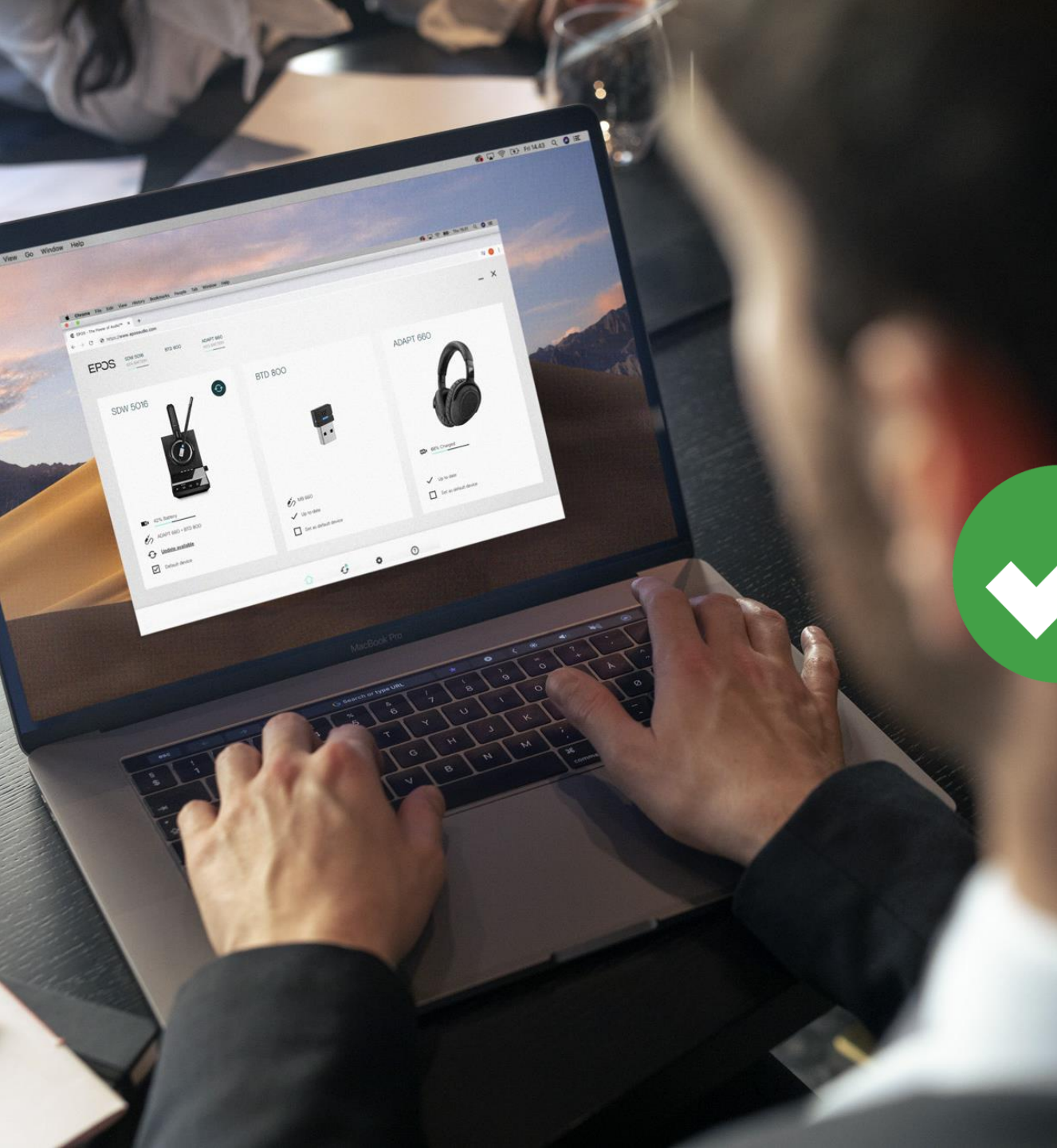


COMMAND

Always in control

For professionals who demand uncompromising, reliable communication that keeps them in control.





Complimentary management software

EPOS Manager

Optimise your business and boost employee performance with a free, flexible and secure tool that manages your audio devices and analyses their use.

EPOS Connect

Update to the latest firmware and personalise your EPOS audio device settings to ensure flawless operation and maximum productivity.

Free
Software

EPOS

Strategic alliances

EPOS

Our partnerships with other technology-driven companies and vendors have a common goal - to simplify your daily business. We work with strategic alliance partners to ensure that our products are easy to deploy and are fully compatible with all major Unified Communications platforms and desk phones.

Our products are thoroughly tested with our partners for call feature compatibility and optimal sound experience. We are your one-stop audio solution provider for all your business communication needs.



snom



3CX

BlueJeans



NEC



Premium Gaming portfolio

Out of this world gaming audio

New



H6 Pro Series
Wired

New



H3 Series
Wired / Bluetooth® /
Low Latency wireless



GSP 500/600 Series
Wired / Bluetooth® /
Low Latency wireless



GSP 300 Series
Wired / Low Latency wireless



Game One/Zero
Wired



GTW 270
Bluetooth® and
Low Latency wireless



B20 Streaming Microphone
Wired



GSX 300
External sound card



06
03
00
-03
-06

64

125

250

500

1k

2k

SURROUND ?
EFFECT

MODE

2.0

7.1

REVERBERATION



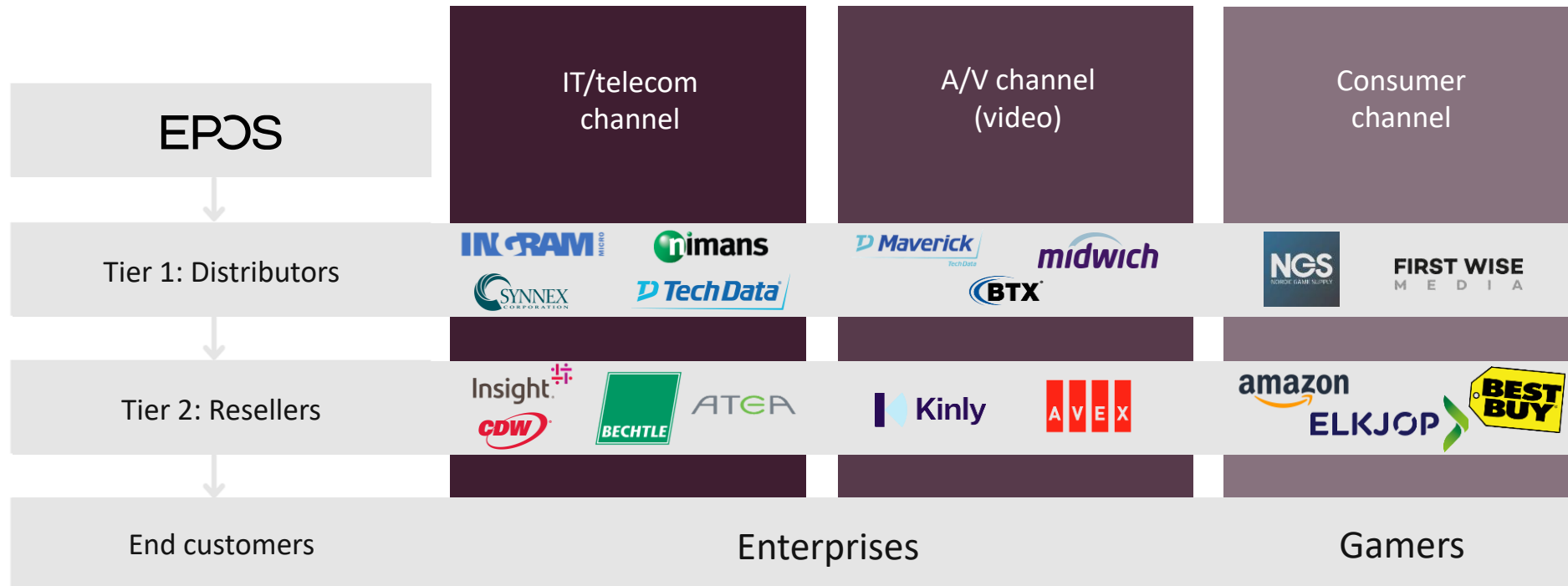
EPOS Gaming Suite

Put on your wireless GSP 670 or GSP 370 gaming headset or use the GSX 300 external sound card to listen to the difference in the sound as you tweak the audio settings in the EPOS Gaming Suite.

Control Center
Management

EPOS sales channel structure

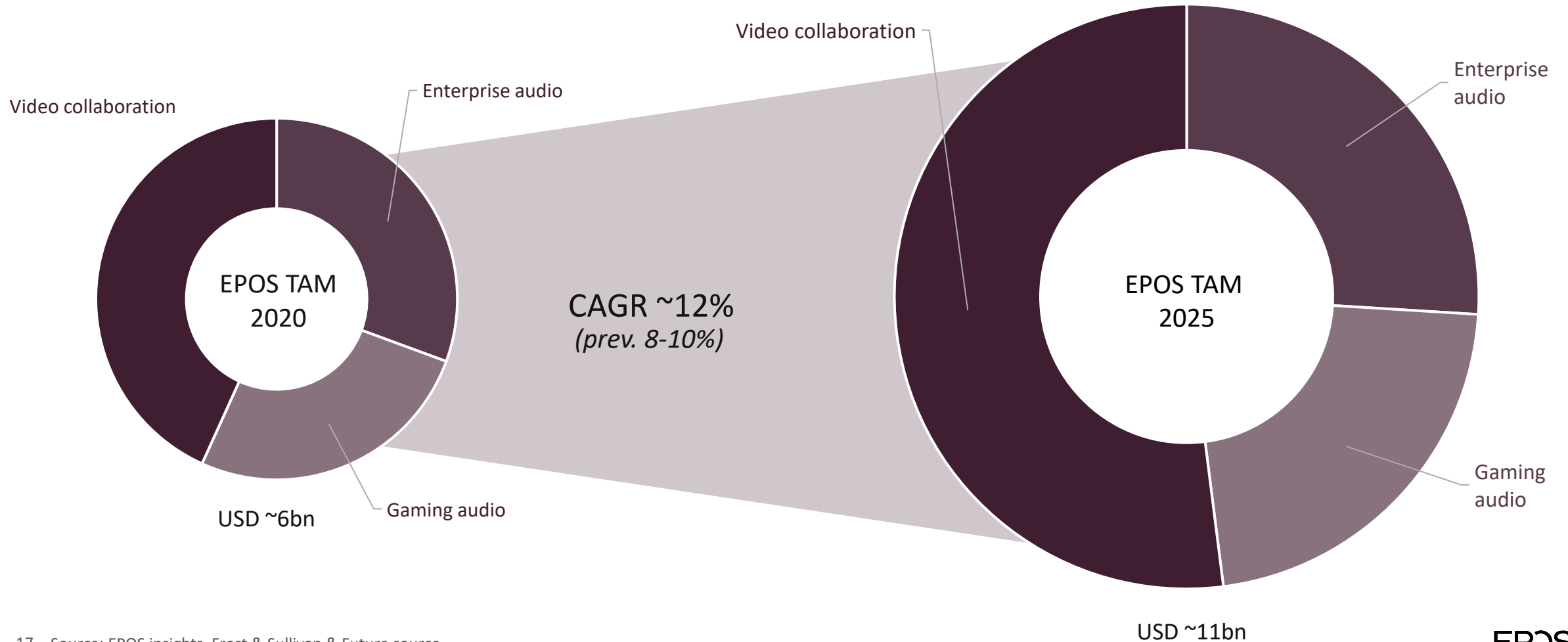
We maintain a diversified channel set-up



Attractive market fundamentals

Attractive market growth

Attractive medium- to long-term market fundamentals in place



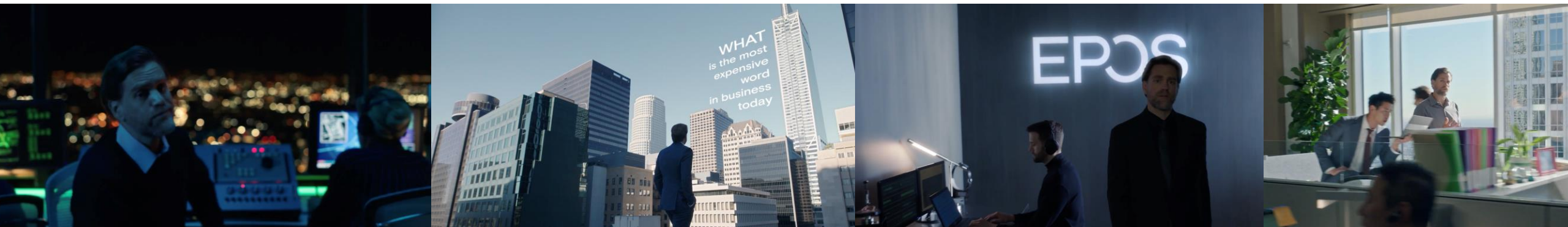
Trends in Enterprise Solutions

UC&C adoption

Hybrid working
and open offices

Virtual meetings
(huddle rooms,
small and mid-sized
meeting rooms)

Multiple devices
and platforms



Trends in Gaming

Better global access to high speed internet

Gamer engagement and communities on the rise and average age of gamers increasing

Socialisation and collaboration becoming bigger part of gaming

E-sports and gaming as entertainment growing



Highly dynamic market environment in 2020 and 2021

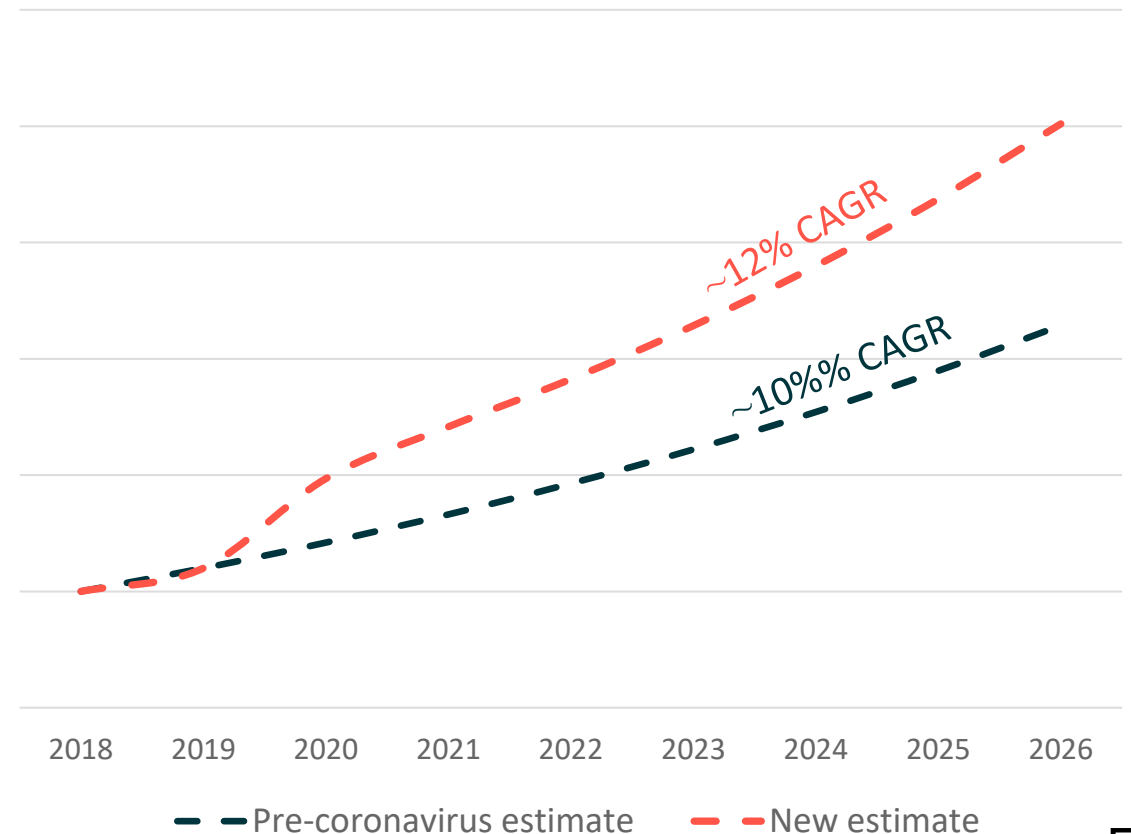
2020

- Strong momentum driven by working-from-home trend, especially in EMEA
- Segment of low-priced wired headsets was the main growth driver
- Strong demand for gaming headsets

2021

- EMEA slowdown due to back-to-office timing uncertainties
- Product trend moving towards wireless and meeting rooms
- Importance of video has become evident

Development in addressable market
(illustrative)



Current situation and strategic focus

Short-term volatility and revenue slowdown impacting short-term profitability – back on growth track in 2022

Revenue drivers in 2020

Significant boost in demand due to working-from-home trend

Supply-driven market

Segment of entry-level wired headsets was the main growth driver

Strongest growth in EMEA

Challenges in 2021

Headset market conditions normalising, but enterprise solutions projects postponed due to coronavirus uncertainties

EPOS still in transition phase – brand not fully established

Low exposure to high-growth market for video solutions

Low exposure to the US – the fastest growing region



We expect revenue in H2 2021 to decline by more than 10% compared to H1



We expect EBIT in H2 2021 to be negative by DKK 50-100 million



We expect to be back to above-market revenue growth in 2022



We expect to deliver positive EBIT in 2023 despite investments

Significant room for gaining market share

Market

Characteristics

EPOS positioning

Enterprise headsets

Consolidated

#3 with 7% market share. Relatively higher exposure to EMEA and lower to Americas and APAC

Gaming headsets

Fragmented market

Low single-digit overall market share but focusing on premium part of the market

Video conferencing

Transforming market

Entering the market with focus on audio/video bars

Our winning aspiration

“We want to become the preferred premium audio brand in Enterprise Solutions and Gaming”

How to win Enterprise Solutions

Perfecting end-to-end solution selling with relevant portfolio



Full product portfolio with distinct premium brand position

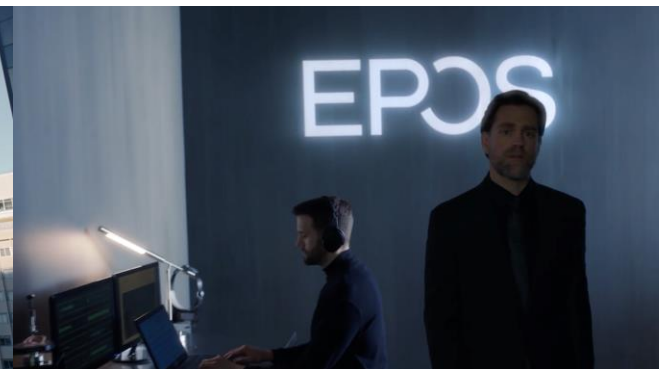
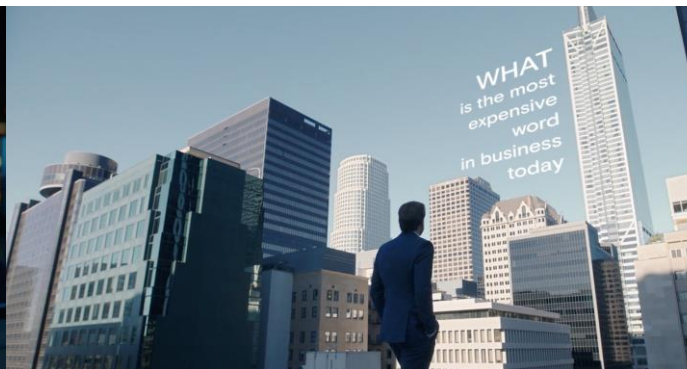
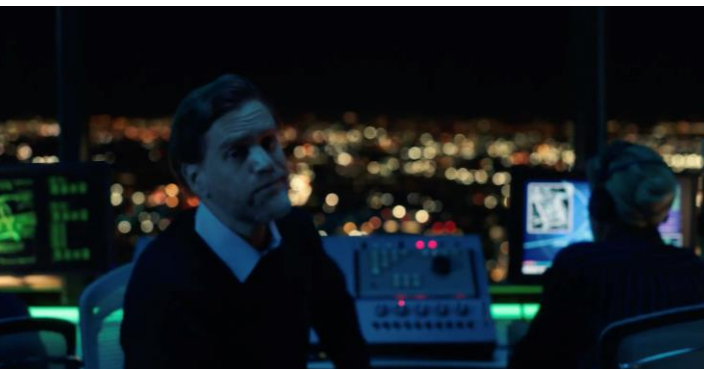
Focused strategic partnerships for a full IT eco-system approach



Global impact and deliver premium in all aspects



Dedicated sales and marketing team and selective distribution



Rationale for entering video space

Attractive growth with strong fundamental drivers

- Market growth boosted by coronavirus

Video considered natural portfolio extension for EPOS

- Important for being relevant to customers and partners

All-in-one (on device computing) is a new segment

EPOS well positioned to deliver growth

- Strategic partnership with Solaborate
- No cannibalisation of legacy products
- Audio competencies from headsets and speakerphones
- Global sales team in place
- Relationships established with strategic alliance partners





How to win Gaming

Premium products, distinct brand position and distribution focus



Premium products with distinct premium brand position



Build legitimacy and relevance to our target audience



Global impact and deliver premium in all aspects



EPOSAUDIO.COM

Dedicated sales team and streamline focused distribution



Summary

EPOS finalising the transition and positioning for future growth

Joint venture mode (2003 - 2019)

- Stable growth
- Market share gains
- Low investment level
- Positive profitability

Transition mode (2020 – 2022)

- Volatile growth
- Stable market share
- Accelerated investment level
- Negative profitability

Future mode (2023 -)

- Stable growth
- Market share gains
- Balanced investment level
- Positive and growing profitability

EPOS set for future success

Proven track record
and strong
foundation for
future growth

Attractive market
outlook, including
strong growth in
video

Clear strategic
focus on growing
faster than
the market

Gradually improve
profitability while
investing in growth



EPOS

THE POWER OF AUDIO