

ASX Announcement

22 October 2024

Q1 FY 2025 Trading Update

Audinate delivered unaudited gross profit of US\$7.2 million (A\$10.6M) in Q1 FY25.

The Q1 FY25 performance reflects several challenges we faced at the start of the financial year, including shorter order lead times, increased inventory across the industry, slower clearance of raw material inventories by our manufacturing customers, and softer than expected demand from end-users.

These headwinds are expected to continue into Q2 FY25, leading to a Q2 gross profit run rate in line with Q1 FY25.

Previously, Audinate expected to generate a slightly lower FY25 US\$ gross profit compared to FY24, however, due to the performance in the first half of the year, it is now unlikely we will achieve that result. Management will update the market on performance and outlook after completion of trading in Q2 FY25, anticipating a moderately stronger second half.

As previously communicated, FY25 is a transitional year as our manufacturing customers work through their inventory, and we wait for a recovery in end-user demand to drive future orders. We expect this transition to last only a year, returning to growth in FY26 and more normal customer order patterns.

Cost Growth is balanced to take advantage of opportunities

Cost growth is expected to be in the range of 7%-9% in FY25 (compared to historical annual cost growth of 28.5% over the last 3 years). This remains consistent with previous guidance and reflects our confidence in Audinate's long term growth prospects.

We continue to focus on carefully balancing our cost structure with strategic investments in new product development to drive sustained future growth.

The long-term outlook for Audinate remains positive

With over 6 million Dante devices in the field and more than a million being added annually, Audinate's growth will continue to be driven by the increasing adoption of Dante technology across a wide range of audio and video products. As this installed base expands, so does the opportunity to build a robust platform software business, enabling AV professionals to efficiently manage and monitor audio-visual installations.

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In the second half of FY25, we will launch new AVIO adaptor products and a premium version of Dante Virtual Soundcard. Both are expected to make a positive contribution to earnings in 2H FY25 and beyond.

The demand for Dante continues to grow as manufacturers develop new Dante products, and AV system designers and installers increasingly choose Dante solutions. Design wins in Q1 FY25 are up 22% compared to the previous year, reflecting a healthy pipeline of new Dante products, a leading indicator of future revenue growth.

Dante Certification & Training programs continue to attract the interest of AV professionals, with attendance reaching 4,000+ per month. These programs drive increased usage of Dante in AV installations globally.

Authorisation: This announcement was authorised by the Board of Audinate Group Limited

Investor and media enquiries:

Chris Rollinson

CFO & Company Secretary

P: +61 2 8090 1000

Chris.Rollinson@audinate.com

Belinda Koch

Investor Relations & ESG

P: +61 2 8090 1000

Belinda.koch@audinate.com

For more information on Audinate, please visit:Investor Centre – investor.audinate.com Website – www.audinate.com**About Audinate Group Limited**

Audinate Group Ltd (ASX:AD8) was founded with a vision to pioneering the future of AV. Audinate's award-winning Dante IP networking solution is the worldwide leader and used extensively in the professional live sound, commercial installation, broadcast, public address, and recording industries. Dante replaces traditional analogue audio cables by transmitting synchronized audio signals across large distances, to multiple locations at once, using nothing more than an Ethernet cable. Audinate is headquartered in Australia and has regional offices in the United States, United Kingdom, Belgium, and Hong Kong. Dante technology powers products available from hundreds of leading audio and video partners around the world. The company's ordinary shares are traded on the Australian Securities Exchange (ASX) under the ticker code AD8.