The Vitec Group plc

Half Year Results 2017

10 August 2017

VITEC GROUP Capture the moment™

Significant strategic progress transforming the Group

Enabling the capture and sharing of exceptional images

Important notice

Forward-looking statements

This presentation contains forward-looking statements with respect to the financial condition, performance, position, strategy, results and plans of The Vitec Group plc (the “Group”, “Vitec”, or the “Company”) based on Management’s current expectations or beliefs as well as assumptions about future events. These forward-looking statements are not guarantees of future performance. Undue reliance should not be placed on forward-looking statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group’s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. The Company undertakes no obligation to publically revise or update any forward-looking statements or adjust them for future events or developments. Nothing in this presentation should be construed as a profit forecast.

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Adjusted performance measures

In addition to statutory reporting, Vitec reports total performance for continuing and discontinued operations on an adjusted basis before charges associated with acquisition of businesses and restructuring costs. Adjusted performance measures in this presentation are denoted by an *. Specifically:

- Adjusted performance is before £4.5m charges associated with acquisition of businesses (H1 2016: £2.7m), £nil restructuring costs (H1 2016: £2.1m) and £3.2m gain on disposal of business (H1 2016: £nil). Charges associated with acquisition of businesses consisted of £4.5m amortisation of acquired intangible assets (H1 2016: £2.7m), £nil purchase price adjustment (H1 2016: £0.2m credit) and £nil transaction costs relating to acquisition of businesses (H1 2016: £0.2m).

- Adjusted performance for continuing operations is before £3.3m charges associated with acquisition of businesses (H1 2016: £2.2m) and £nil restructuring costs (H1 2016: £1.8m). Charges associated with acquisition of businesses consisted of £3.3m amortisation of acquired intangible assets (H1 2016: £2.2m), £nil purchase price adjustment (H1 2016: £0.2m credit) and £nil transaction costs relating to acquisition of businesses (H1 2016: £0.2m).

- Adjusted earnings per share is earnings before restructuring costs, charges associated with acquisition of businesses and gain on disposal of business divided by the weighted average number of ordinary shares in issue.

- Where adjusted performance measures are provided, they are compared to the equivalent measures in the prior period.

Agenda

- **Highlights**
  - **Stephen Bird,** Group Chief Executive
- **Financial Review**
  - **Kath Kearney-Croft,** Group Finance Director
- **Market and Strategy Update**
  - **Stephen Bird,** Group Chief Executive
- **Q & A**

Highlights

Significant progress executing our strategy to transform the Group

Disposals of Bexel and Haigh-Farr will further improve ROCE** and margins

Continued underlying growth for the Group led by higher technology businesses

Adjusted operating margin* improved from 10.2% to 11.3%

ROCE** at 19.4% benefited from higher adjusted operating profit*, lower assets and favourable FX

Strong cash generation

Full year outlook remains unchanged

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*
*** ROCE (Return on Capital Employed) is calculated as adjusted operating profit* for the last twelve months divided by average total assets less current liabilities excluding the current portion of interest-bearing borrowings.*

Financial Review

Half year results in line with expectations

Total performance for continuing and discontinued operations	**H1 2017 £m**	H1 2016 £m	Better / (worse)	Better / (worse) at Constant FX
Revenue	**187.6**	171.1	9.6%	(1.2%)
Gross profit *	**79.0**	67.4	17.2%	6.4%
*Gross margin % **	***42.1%***	*39.4%*	*+270 bps*	*+300 bps*
Operating expenses *	**(57.8)**	(50.0)	(15.6%)	(6.5%)
Operating profit *	**21.2**	17.4	21.8%	6.3%
*Operating margin % **	***11.3%***	*10.2%*	*+110 bps*	*+80 bps*
Net finance expense	**(1.9)**	(1.9)		
PBT *	**19.3**	15.5	24.5%	10.9%
Adjusted EPS *	**31.7p**	24.6p	28.9%	
Interim dividend per share	**10.4p**	9.9p	5.1%	

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

- Growth in sales of higher technology (including acquisitions) and photographic products offset by lower broadcast activity in more mature US markets
- Improvement in gross margin
- Opex investment to drive sales and future growth
- Benefit from foreign exchange as expected
- Interim dividend increased by 5.1% to 10.4p

Continuing operations

Continuing operations	**H1 2017 £m**	H1 2016 £m	Better / (worse)	Better / (worse) at Constant FX
Revenue	**164.9**	144.0	14.5%	3.1%
Gross profit *	**73.7**	61.1	20.6%	9.2%
*Gross margin % **	***44.7%***	*42.4%*	*+230 bps*	*+250 bps*
Operating expenses *	**(52.1)**	(44.0)	(18.4%)	(9.0%)
Operating profit *	**21.6**	17.1	26.3%	9.6%
*Operating margin % **	***13.1%***	*11.9%*	*+120 bps*	*+70 bps*
Net finance expense	**(1.9)**	(1.9)		
PBT *	**19.7**	15.2	29.6%	14.7%
Adjusted EPS *	**34.2p**	23.9p	43.1%	

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

- Focus on driving growth in core markets after disposals
- Better revenue and operating profit* growth excluding Haigh-Farr and Bexel
- Operating margin* improvement

Divisional performance

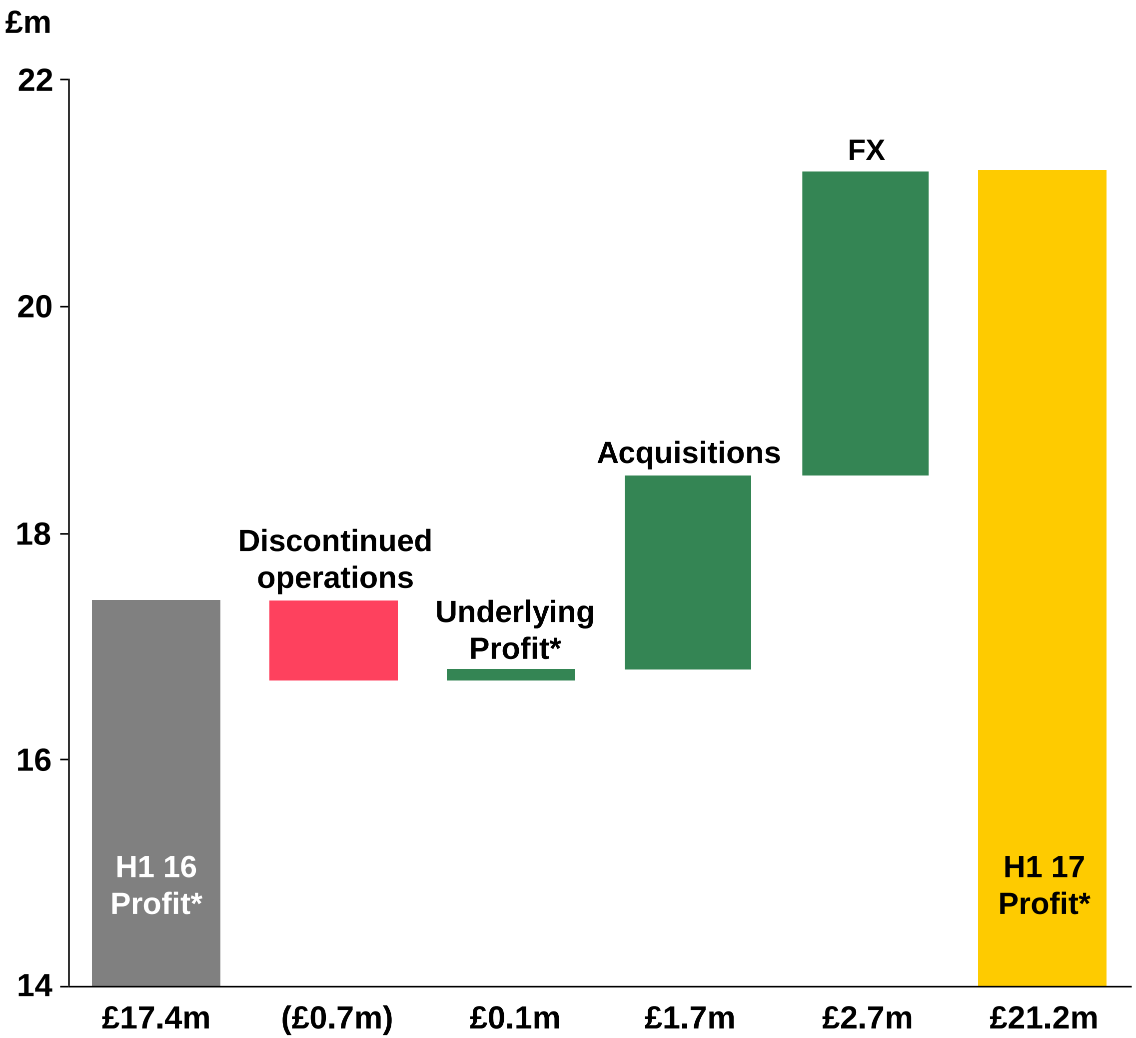
Continuing operations	Revenue H1 2017 £m	Revenue H1 2016 £m	Revenue Better / (worse) £m	Revenue Better / (worse) at Constant FX %	Adjusted operating profit* H1 2017 £m	Adjusted operating profit* H1 2016 £m	Adjusted operating profit* Better / (worse) £m	Adjusted operating profit* Better / (worse) at Constant FX %
Broadcast	**86.5**	75.2	15.0%	3.2%	**10.6**	8.2	29.3%	10.3%
Photographic	**78.4**	68.8	14.0%	3.0%	**11.0**	8.9	23.6%	8.9%
	164.9	144.0	14.5%	3.1%	**21.6**	17.1	26.3%	9.6%

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of discontinued business, as described on page 2 of this presentation.*

Broadcast
- > New product launches support growth in higher technology revenue
- > Wooden Camera performing ahead of expectations
- > Challenging conditions in US market for traditional large studio supports

Photographic
- > Higher revenue through owned distribution channels & e-commerce
- > Growth in sales of video and lighting products
- > Manfrotto bags performing well
- > Higher revenue in APAC region

Group total operating profit* bridge



- Lower activity in discontinued businesses
- Revenue growth and gross margin improvement offset by investment in driving sales and future growth
- 2016 acquisitions contributing positively
- Benefit from foreign exchange as expected

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

Strong cash generation

Total performance for continuing and discontinued operations	H1 2017 £m	H1 2016 £m	Better / (worse) £m
Operating profit *	**21.2**	17.4	3.8
Depreciation (1)	**8.5**	8.6	(0.1)
Working capital	**(2.0)**	8.6	(10.6)
Restructuring cash outflow	**(1.2)**	(3.9)	2.7
Other (2)	**0.2**	0.5	(0.3)
Cash generated from operations	**26.7**	31.2	(4.5)
Capital expenditure (3)	**(6.0)**	(10.0)	4.0
Proceeds from asset sales	**2.4**	5.7	(3.3)
Net interest and tax paid	**(3.7)**	(4.3)	0.6
Free cash flow	**19.4**	22.6	(3.2)

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

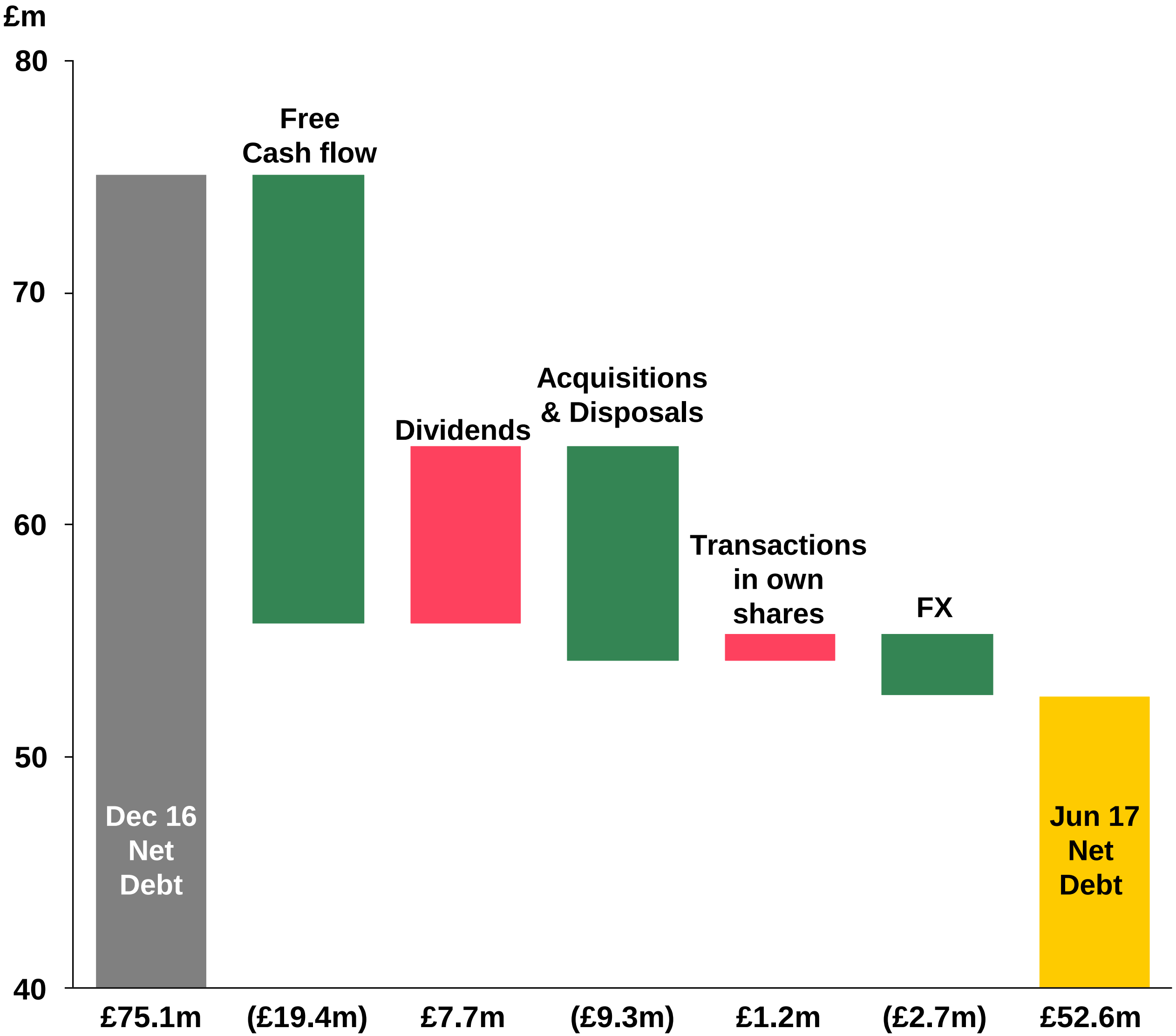
(1) Includes depreciation and amortisation of software and capitalised development costs.

(2) Includes change in provisions, share based payments charge, gain on disposal of PPE, fair value derivatives and transaction costs relating to acquisition of businesses.

(3) Purchase of PPE and capitalisation of software and development costs.

> Working capital investment:
  > Low FY 16 inventory levels
  > Exceptionally large cash inflow in H1 16
> £1.2 million cash outflow on restructuring activities completed in the prior year
> Net capital expenditure includes lower investment in rental assets
> H1 16 included proceeds from sale of Bury manufacturing site

Net debt



- Net debt of £52.6 million
- Net inflow on acquisitions & disposals:
  - £11.1 million on Haigh-Farr disposal
  - £1.6 million of earnouts on Wooden Camera's FY16 performance
- Repayment of $50 million Private Placement in H1
- Net debt to EBITDA ratio of 0.9x (Dec 2016: 1.2x)
- Post period end disposal of Bexel for net $32.0 million (£24.2 million) brings net debt to EBITDA ratio of 0.4x

Other financial developments

- ROCE improved to 19.4% (FY 16: 17.5%) on higher operating profit*, lower assets and favourable FX in H1
- FY 17 Capex neutral and depreciation reduced by c. £3 million following Bexel disposal

	FY 17	**FY 18**
Revenue reduction	c. £15m	c. £40m
Operating margin	+c. 0.5%	+c. 1%
Capex	Neutral	c. £(5.0)m
Depreciation	c. £3.0m	c. £7.0m
Interest	c. £0.2m	c. £0.5m

- FX impact expected to be net neutral for H2 17
- Effective tax rate expected to remain at 27% for the full year
- Amortisation of acquired intangibles: £7.6 million for FY 17

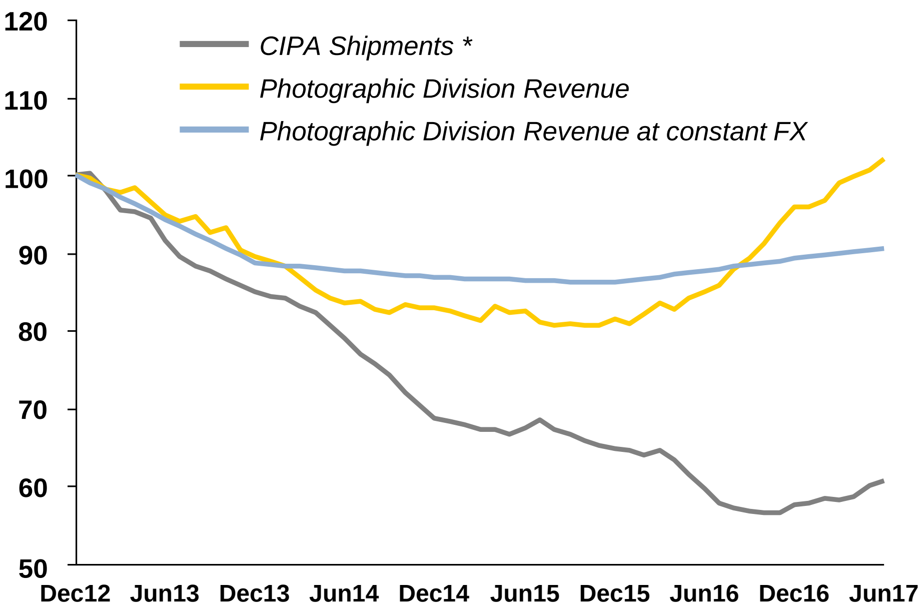
** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

Market & Strategy Update

Continued underlying growth

Photographic Division revenue versus CIPA shipments

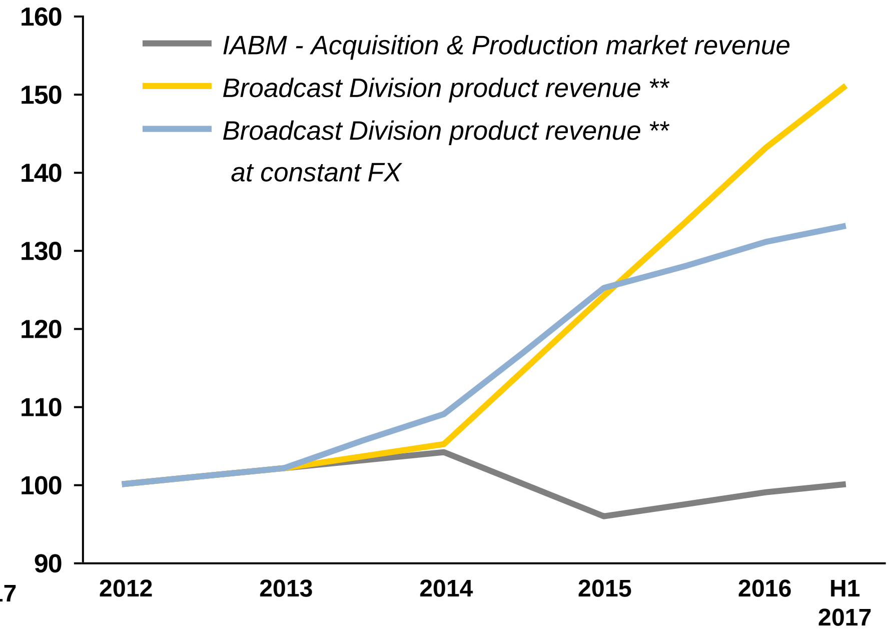
Moving annual totals at constant currency, indexed to 100 at December 2012



* Quantity of global shipments as published by Camera and Imaging Products Association (CIPA)

Broadcast Division product revenue** versus IABM

At constant currency, indexed to 100 at December 2012



**Broadcast revenue excluding revenue from Haigh-Farr, broadcast services and 2016 acquisitions

Executing on strategy to continue to realise growth

Improve the core	Focus on new markets and technology	Get closer to customers	Expand in APAC	Corporate development

Improve the core and focus on new markets and technology

- Sustained investment in innovative new product development across the Group
- Products recently launched include:
  - **Production Equipment:** Autoscript Intelligent Prompting, Litepanels LED lights, Vinten robotics Micro Controller, Anton/Bauer Discharger
  - **Creative Solutions:** SmallHD monitors, Wooden Camera Follow Focus and Teradek H.265 Encoders
  - **Photographic:** Manfrotto Nitrotech video head
- Identifying manufacturing efficiencies, e.g. Manfrotto Befree Mark II production Feltre starts Oct 17

Autoscript Intelligent Prompting

Litepanels Astra/Sola LEDs

Vinten VRC Micro Controller

Anton/Bauer Discharger

SmallHD Ultra Bright monitors

Wooden Camera Follow Focus

Teradek H.265 Encoder

Manfrotto Nitrotech video head

Executing on strategy to continue to realise growth

Improve the core	Focus on new markets and technology	Get closer to customers	Expand in APAC	Corporate development

Get closer to our customers

> Further growth in own distribution and e-commerce channels

> Collaborations with industry and technology leaders, e.g. Leica

Expand in APAC

> Photographic APAC growth but further opportunities with Manfrotto Distribution, e.g. Wooden Camera, SmallHD, Teradek

Corporate development

> Continual assessment of M&A opportunities in adjacent markets for value-adding, strategic businesses

Large number of opportunities for Vitec to continue to realise growth

Disposal of US broadcast services business

> Sold Bexel to a subsidiary of NEP Group Inc. on 1 August 2017

> Net cash consideration of $32.0 million (£24.2 million)

> Represents a further step in the transformation of the Group

> Supports Vitec's stated aim of improving Group operating margins and ROCE

> Frees up resources and management to focus on core strategy

> Natural home for Bexel as NEP is a world leader in production services

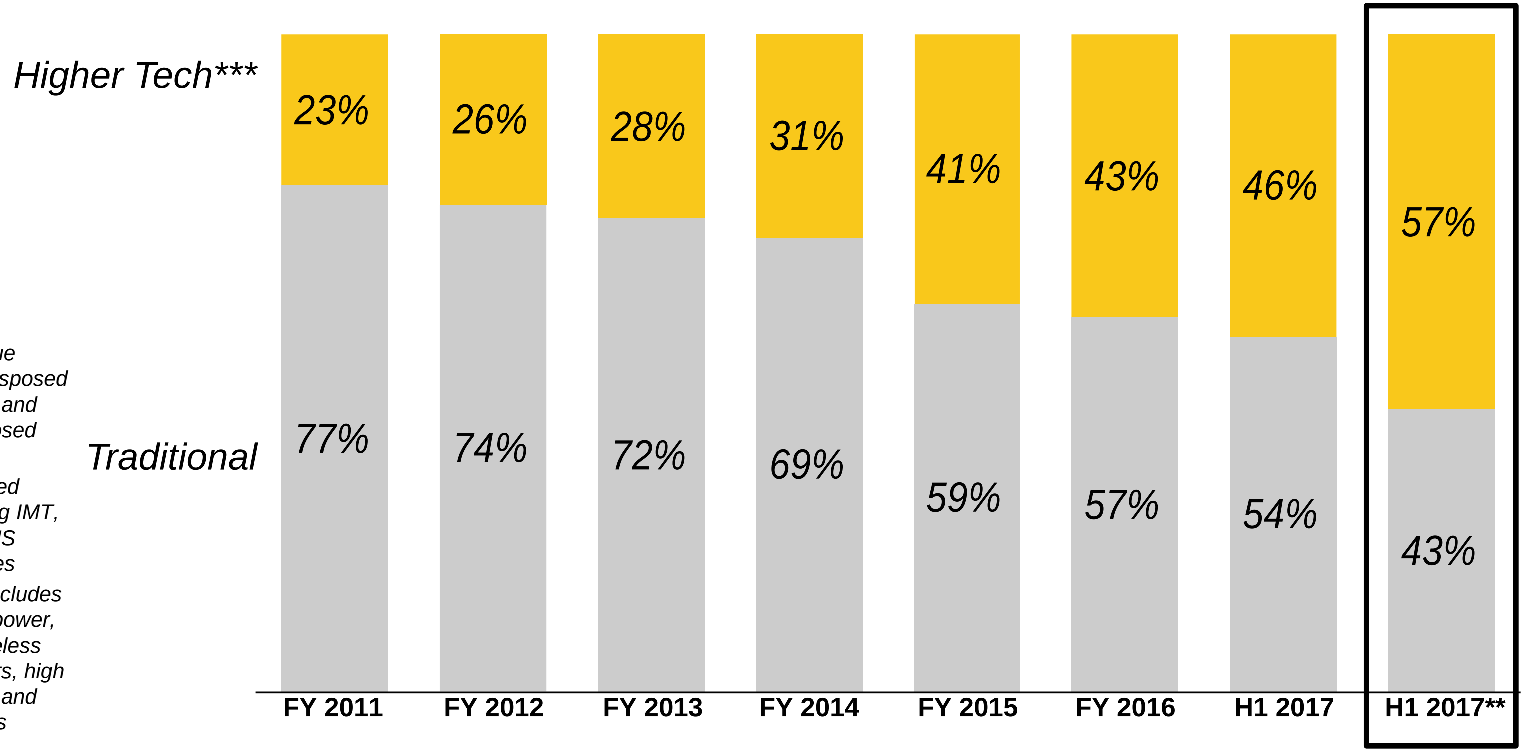
> Continued involvement with Olympics through Camera Corps

> Neutral to adjusted earnings per share for FY 2017

Significant step in the transformation of the Group

A higher technology focused business

Broadcast Division Revenue*



**Reported revenue excluding IMT (disposed November 2014) and Haigh-Farr (disposed May 2017)*

***H1 2017 reported revenue excluding IMT, Haigh-Farr and US broadcast services*

****Higher Tech includes robotics, mobile power, LED lighting, wireless products, monitors, high tech accessories and specialty cameras*

Broadcast Acquisitions

£60m invested (to FY 2016)

20% return

2012	2013	2014	2015	2016
Camera Corps	Teradek	Autocue, SmallHD	Paralinx	Offhollywood

Share of higher technology products revenue doubled in six years, before Bexel

Summary

- Significant strategic and operational progress
  - Continued underlying growth led by higher technology businesses
  - Disposals improve Group operating margins and returns going forward
- Only just starting to benefit from growth in APAC
- Strong cash generation and a robust balance sheet support clear growth strategy
- Continued M&A activity
- Full year expectations unchanged

Vitec is delivering on its strategy to take advantage of growth opportunities in a changing market

Questions

Appendices

Vitec products by category

Bags

Manfrotto
Imagine More

NATIONAL GEOGRAPHIC

sachtler

Camera accessories

Manfrotto
Imagine More

WOODEN CAMERA

oconnor

OFFHOLLYWOOD

Distribution, rental & services

CAMERA CORPS

** Clockwise from top left: **Manfrotto:** Manhattan Collection; **Manfrotto:** Xume filters; **Wooden Camera:** Ultra Arm; **Offhollywood:** OMOD; **Camera Corps:** Q-Ball 3; **OConnor:** O-Rig Pro Kit; **Sachtler:** Comporter; **National Geographic:** Australia Collection.*

Vitec products by category

Lighting & controls

Lastolite Professional

Litepanels

Manfrotto Imagine More

Wireless systems

PARALINX

TERADEK

Mobile power

ANTON BAUER

On-camera monitors

SmallHD

** Clockwise from top left: **Lastolite:** triFlip kit contents silver; **Paralinx:** Dart; **Teradek:** Sphere; **SmallHD:** 3203 HDR Monitor; **Anton/Bauer:** V90 & G90 Cine Batteries; **Manfrotto:** Lykos; **Litepanels:** Astra Soft 1x1 Bi-Color.*

Vitec products by category

Prompters

Autocue

autoscript
a clearer picture

Supports

AVENGER

Manfrotto
Imagine More

sachtler

GITZO

oconnor

Vinten

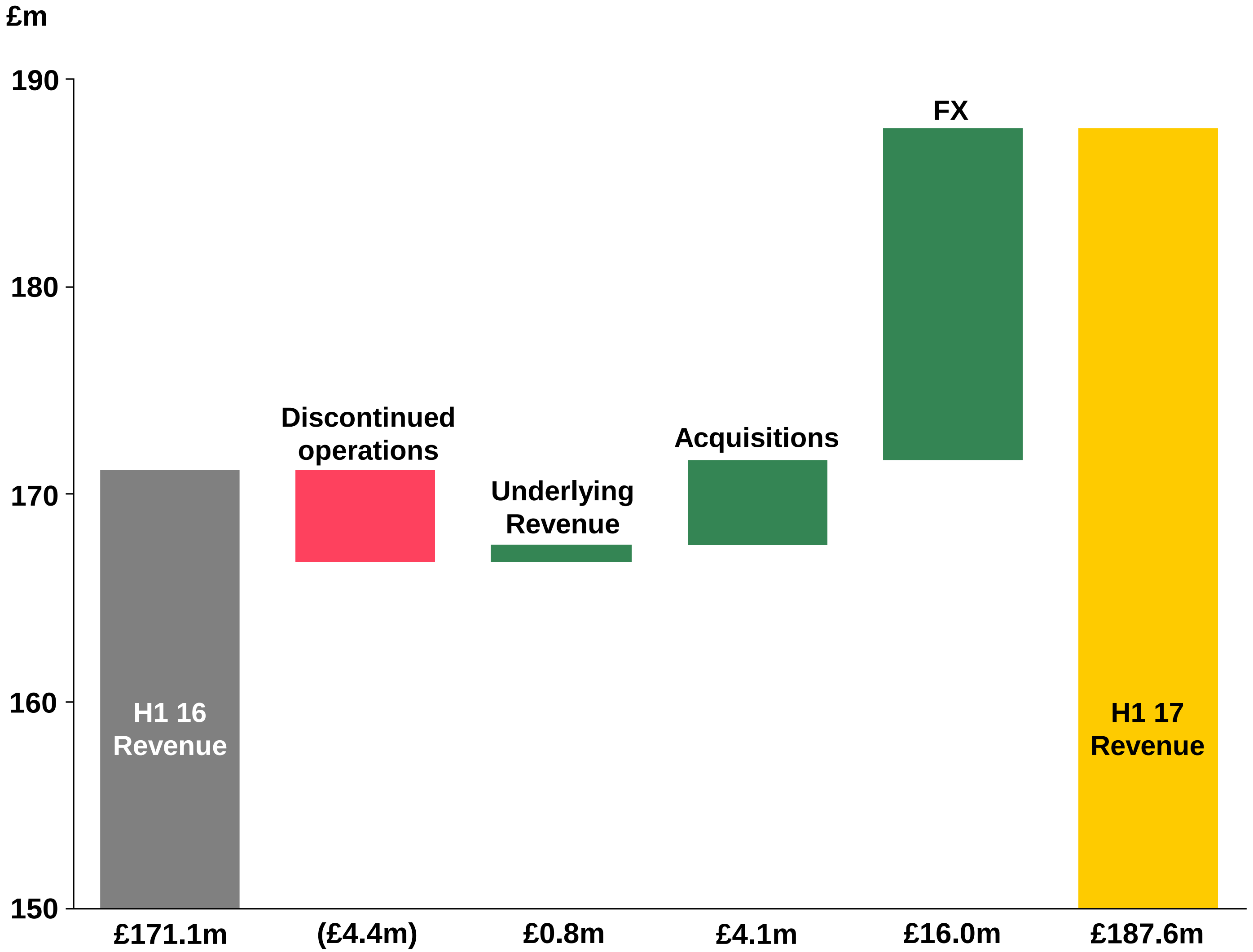
* Clockwise from top left: **Autocue:** PSP17 teleprompter; **Avenger:** Wind Up stand; **Manfrotto:** Befree Live; **Sachtler:** Sachtler Ace L – Freddie Wong Signature Edition; **Vinten:** Osprey Elite pedestal; **OConnor:** Ultimate 2560 Fluid Head; **Gitzo:** Mountaineer Tripod; **Autoscript:** E.P.I.C. prompter.

Vitec products by category

Robotic camera systems

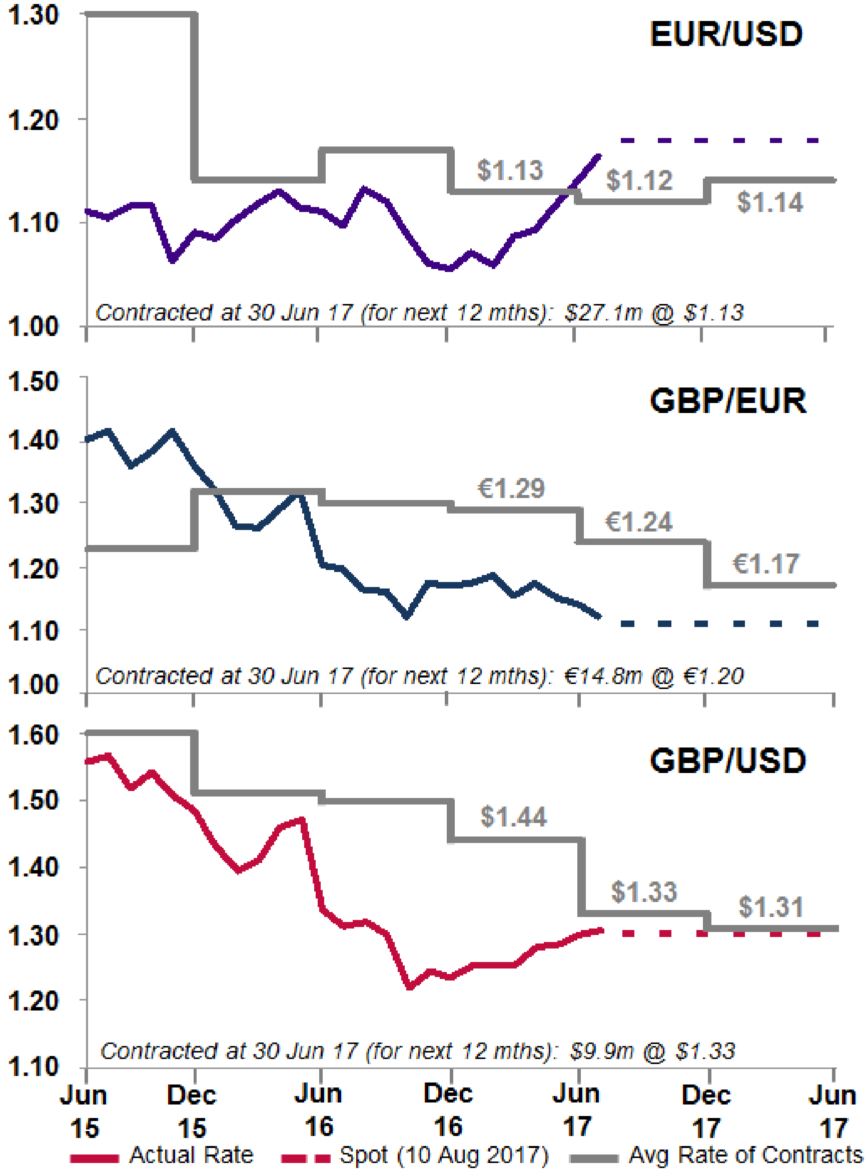
** Left to right: **<u>Vinten:</u>** Vantage; Hexagon Track system powered by Technopoint; **<u>Camera Corps:</u>** Q-Ball 3.*

Group total revenue bridge



** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

Foreign exchange – key impacts on Vitec



a) Translation

> Translational impact is unhedged

> The majority of the Group's profit is in USD and EUR

> H1 2017 benefited from weaker Sterling versus H1 2016

b) Transaction

> Vitec typically hedges c. 75% of its transactional exposures over the following 12-24 months to reduce volatility

> The largest volume is USD earnings at the Photographic Division (EUR/USD)

> The Broadcast Division has USD (GBP/USD) and EUR (GBP/EUR) earnings

> At current rates we anticipate a net neutral FX impact for H2 2017

Borrowings

- Revolving credit loan facility of £125m
  - Committed until July 2021 with relationship banks
  - Margin at 100 bps over LIBOR
  - Significant covenant headroom
- Private Placement shelf facility of $50m established in 2011 repaid in May 2017
- June 2017 Net Debt of £52.6m (Dec 2016: £75.1m)
  - Net Debt to EBITDA ratio of 0.9x (Dec 2016: 1.2x)

GAAP reconciliation: profit before tax and earnings per share (EPS)

Continuing operations	H1 2017 £m	H1 2016 £m	Δ £m
Adjusted profit before tax*	**19.7**	15.2	4.5
Restructuring costs (1)	**-**	(1.8)	1.8
Charges associated with acquisition of businesses:			
Earnout payments and purchase price adjustment (2)	**-**	0.2	(0.2)
Transaction costs relating to acquisition of businesses	**-**	(0.2)	0.2
Amortisation of acquired intangible assets	**(3.3)**	(2.2)	(1.1)
Profit before tax	**16.4**	11.2	5.2

Continuing operations	H1 2017 £m	H1 2016 £m	Δ £m
Adjusted profit after tax*	**15.3**	10.6	4.7
Restructuring costs and charges associated with acquisition of businesses	**(3.3)**	(4.0)	0.7
Tax on restructuring costs and charges associated with acquisition of businesses	**1.5**	1.5	0.0
Profit after tax	**13.5**	8.1	5.4
Weighted average number of shares ('000)	**44,741**	44,511	
Adjusted EPS (3) (pence)	**34.2**	23.9	10.3
Basic EPS (pence)	**30.3**	18.2	12.1

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*

(1) In H1 2016, restructuring costs of £1.8 million primarily relate to the Group streamlining certain operations by downsizing selected activities mainly in the UK, US and Europe and were mainly employment termination costs.

(2) No earnout payment charges have been recorded in the period. In H1 2016, a receipt of £0.2 million was recorded in relation to the purchase price adjustment for Autocue (acquired 2014) that was agreed with the vendors in H1 2016.

(3) Adjusted earnings per share is earnings before restructuring costs and charges associated with acquisition of businesses divided by the weighted average number of ordinary shares in issue during the period.

The Vitec Group plc
Overview

Company profile

The Vitec Group plc is a leading global provider of premium branded products and solutions to the fast changing and growing "image capture and sharing" market

- Designs, manufactures and distributes high performance products and software including camera supports, wireless systems, robotic camera systems, prompters, LED lights, mobile power, monitors and bags

Results as at 31 December 2016

Group revenue
£376.2m
(US$506.6m)

Group operating profit*
£41.5m
(US$55.9m)

Capture.
Share.

Headquarters in the
UK

Employs
1,600 people

Facilities in
10 countries

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.*

FY16 average rate used to translate into USD.

Broadcast Division

	FY 2016	
Revenue	**£224.8m**	**(US$302.7m)**
Operating Profit*	**£21.0m**	**(US$28.3m)**
Operating Margin*	**9.3%**	

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.*

Broadcast brands

Product category	Brands
Supports	OConnor, Sachtler, Vinten,
Wireless systems	Paralinx, Teradek,
Distribution, rental and services	Camera Corps, The Camera Store, VitecEV
Robotic camera systems	Camera Corps, Vinten
On-camera monitors	SmallHD
Lighting	Litepanels
Prompters	Autocue, Autoscript
Mobile power	Anton/Bauer
Camera accessories	Offhollywood, Wooden Camera

Photographic Division

	FY 2016
Revenue	**£151.4m** (US$203.9m)
Operating Profit*	**£20.5m** (US$27.6m)
Operating Margin*	**13.5%**

* Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.

Photographic brands

Product category	Brands
Supports / Tripods	Avenger, Gitzo, Manfrotto
Bags	Manfrotto, National Geographic*
Lighting	Colorama, Lastolite, Manfrotto
Filters	Manfrotto

** National Geographic bags are manufactured and distributed under licence*

Our customers

- Broadcasters and TV Networks
- Outside Broadcasters: Sports/Live Events
- Independent Content Creators
- Cameramen
- Cinematographers
- Lighting Specialists
- Professional Photographers and Videographers
- Amateur Photographers and Videographers
- Bloggers and vloggers
- Enterprises

Our ultimate customer is primarily a content maker

Our purpose and values

Vitec's purpose is to support our customers to capture and share exceptional images. Our products and services encompass a variety of technologies, designed and engineered to ensure that, whatever the conditions, the content maker has the best equipment to capture the moment.

Our values

➢**Product excellence**
Everything we make and do is exceptional

➢**Customer focus**
We are nothing without our customers

➢**Creative solutions**
We are constantly looking to break new ground

➢**Collaboration**
We work better when we work together

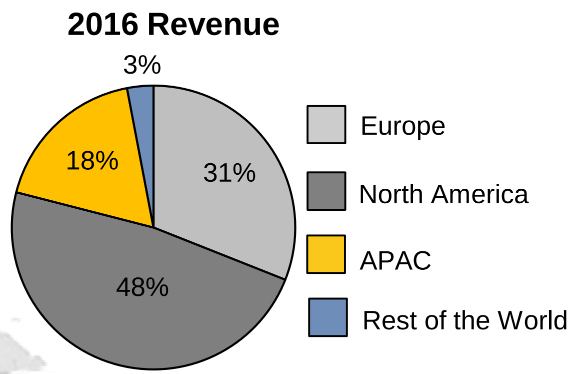
➢**Integrity**
What you see is what you get

Our culture

As a group, we have an entrepreneurial spirit and we want this mindset to influence all aspects of our business operations. We encourage team-working and collaboration both within and across divisions, as well as the harnessing of new technologies to continue to meet rapidly evolving market needs. We also have a winning attitude, with the drive and confidence required to achieve all of our goals.

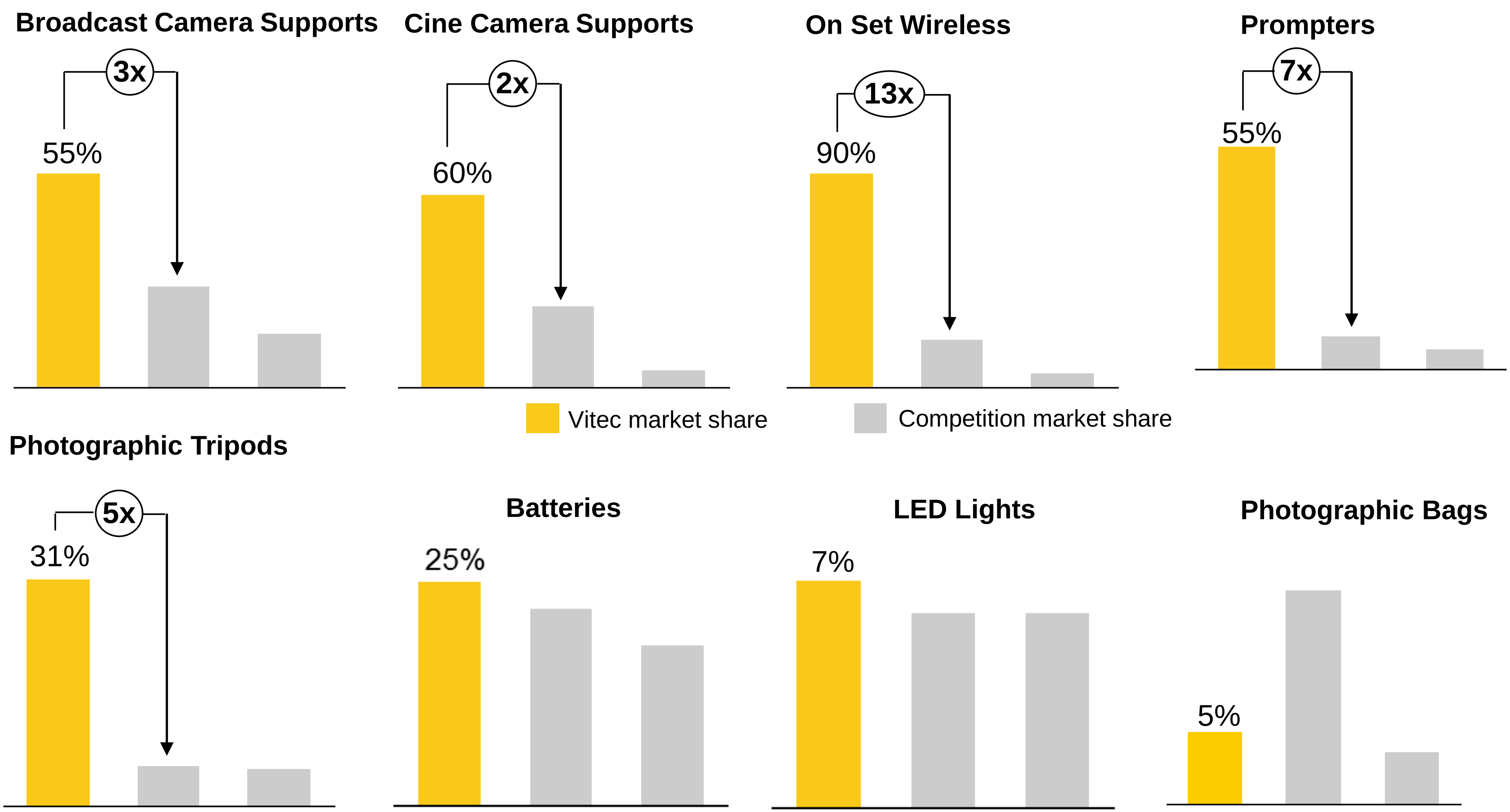
Where we operate

- Sites in 10 countries; sell into 100+ countries
- Sales: UK accounts for only 9.5% of revenue
- Complex restructuring and streamlining been delivered to plan
- Well capitalised, world class manufacturing in Italy, Costa Rica, UK & US
- Low cost APAC sourcing, including China & Vietnam



Vitec has strong global distribution

Competitive landscape



Vitec management estimates by sales value in the market segments in which these products are sold

Vitec holds strong positions in its product categories

Strategic priorities

Improve the core

Focus on new markets and technology

Get closer to customers

Expand in APAC

Corporate development

A strategy for realising growth in a changing market

Business model

> Our business model is focused on achieving our five strategic priorities

Growing image capture and sharing market

Vitec strategic priorities

Understand customer needs

- Customer feedback
- Camera manufacturers
- Technology advances
- Industry trends
- Commercial research

Get closer to customers

Focused new product development

- In-house expertise
- Partnerships
- Value engineering
- Systems integration

Focus on new markets and technologies

Market leading brands

- Premium products, software and services
- Heritage brands
- Intellectual property
- Acquisitions

Corporate development

Efficient supply chain

- Lean manufacturing
- Sourcing
- Quality control
- Health and safety

Improve the core

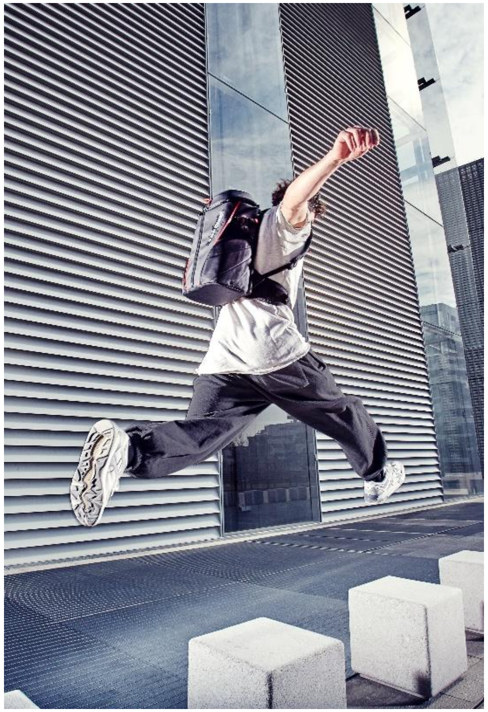
Global distribution

- Global sales force
- Online platforms
- Own distribution
- 3rd party distributors

Expand in APAC

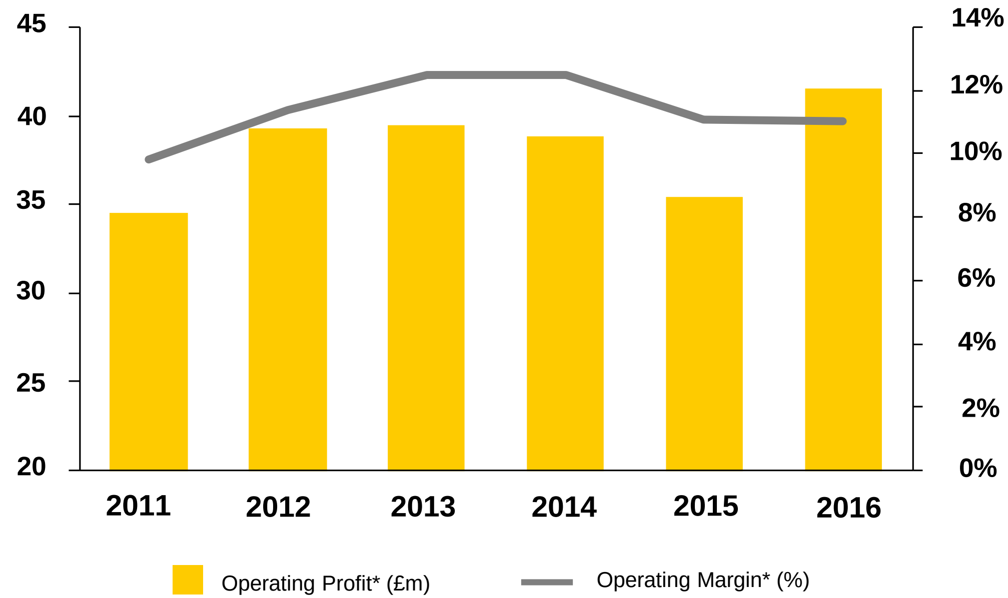
Customers

- Broadcasters
- Independent Content Creators
- Photographers
- Enterprises
- Filmmakers



Financial overview

- A strong business
  - Exited from non-core businesses
  - Streamlined and restructured
  - Integrated some great acquisitions
- Good margins
  - Consistent management focus
  - NPD investment maintained
- A strong balance sheet
  - Good cash generation
  - Net debt to EBITDA 0.9x at June 2017 (Dec 2016: 1.2x)



	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
	£m	£m	£m	£m	£m	£m
Revenue	351.0	345.3	315.4	309.6	317.8	376.2
Operating profit*	34.5	39.3	39.5	38.8	35.4	41.5
Operating margin*	9.8%	11.4%	12.5%	12.5%	11.1%	11.0%
Operating cash flow**	26.2	24.5	40.3	35.2	41.7	64.8

** Before charges associated with acquisition of businesses, restructuring costs and gain on disposal of business, as described on page 2 of this presentation.*
*** Cash generated from operations*

M&A track record

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016

£60m invested (to end FY 2016)

20% return

1. M&A clearly aligned with strategic objectives
2. Doing the right deal: disciplined approach
3. Extraction of synergies

£60m invested to end FY 2016 with a 20% ROI

Thank you

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