



# Enabling the capture and sharing of exceptional content.

An introduction to Videndum plc



- 1. Who we are and what we do**
- 2. Our structure and where we operate**
- 3. Market and strategy**
- 4. Summary**
- 5. Half Year 2022 results**
- 6. Appendices**

# Who we are and what we do

## At the heart of the content creation market

- 1. Professional photography/videography, including hobbyist/prosumer and audio*
- 2. Influencer/vlogger, including gamer, and audio*
- 3. Broadcast TV, live news and sport*
- 4. Cine/scripted TV, including independent filmmakers*
- 5. Live streaming enterprise, including medical, industrial, houses of worship*

Uniquely positioned right at the heart of the content creation market



## Leading positions with premium brands and innovative technology in defensible niches

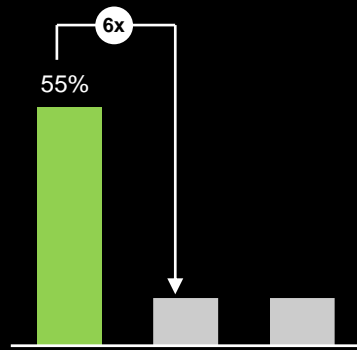
- *Hardware and software to “enable the capture and sharing of exceptional content”*
- *High quality, technically-advanced products*
- *c.90% of products bought by professional content creators*
- *c.80% of products mission-critical*
- *Completely trusted by our customers*

Our premium brands have uniquely strong market positions

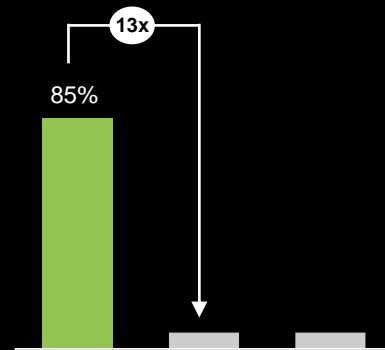


## Leading positions in defensible market niches

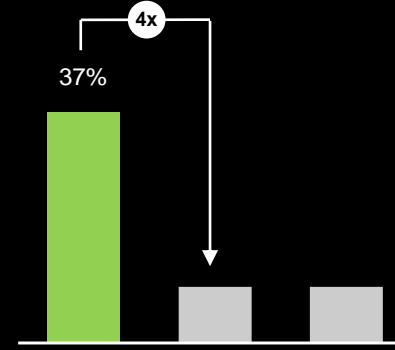
### Manual cine/broadcast Supports



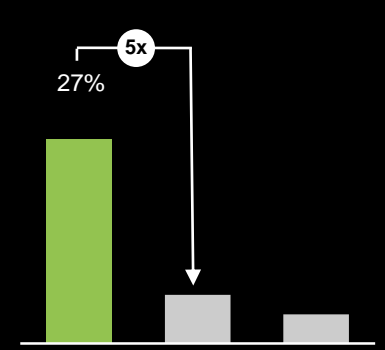
### On Set Wireless



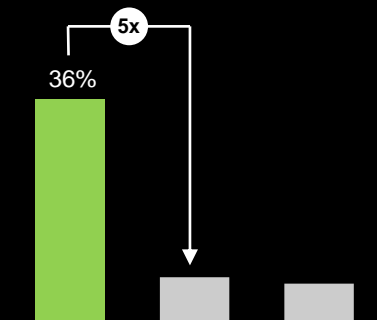
### Prompters



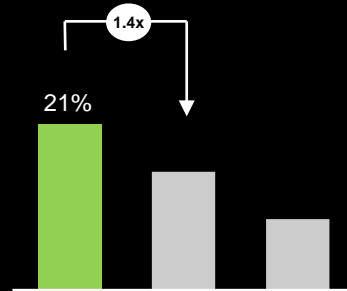
### Protective Solutions



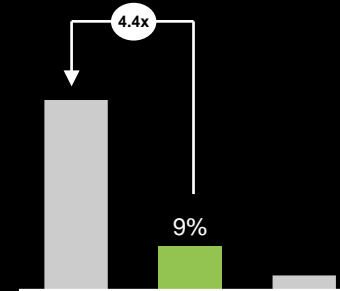
### Photographic Tripods



### Batteries



### LED Lights



### Key

- Videndum market share
- Competition market share

# Our structure and where we operate

# Our structure



## Videndum plc is organised in three Divisions:

- Media Solutions
- Production Solutions
- Creative Solutions

### 2021 Financial highlights

Revenue

**£394.3m**  
(2020: £290.5m)

Adjusted operating profit\*

**£46.2m**  
(2020: £9.9m)

### Headquarters in the UK

Number of employees

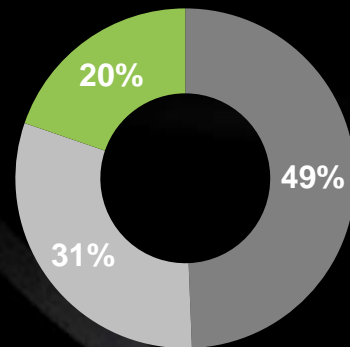
**2,000**

Number of countries with facilities

**11**

### Group 2021 revenue split

- Media Solutions
- Production Solutions
- Creative Solutions



\* Before charges associated with acquisition of businesses and other adjusting items.



# Media Solutions *(formerly Imaging Solutions)*



- TAM larger and growing faster, driven by acquisitions and demand for content for the internet, social media and subscription TV
- Strategy focused on growth in core professional business plus new areas of content creation with new vlogging accessories and audio capture products, as well as digital marketing



## Professional high-end

*c.45% of revenue*

- c.15m professionals behind the camera
- Demand driven by e-commerce and new mechatronic products
- Savage and Audix fully integrated; performing to plan



## B2B

*c.30% of revenue*

- Significant growth in supports for lighting and sports analytics segments



## Influencer/vlogger

*c.10% of revenue*

- c.40m in front of the camera/phone
- JOBY market penetrated <10%; huge untapped customer base
- Digital marketing and new product launches



## Hobbyist

*c.15% of revenue*

- Travel supports and bags recovering

**Core business growing, driven by the internet  
plus new growth areas in content creation and audio**

# Production Solutions



- TAM growing faster, driven by demand for original content, automated production and on-location news
- Strategy focused on growth in core professional equipment for scripted TV series, on-location news and sporting events, as well as new technology to enable automation and cost efficiencies in studios



## Cine/Scripted TV/ICC

*c.40% of revenue*

- Growth in spend in original content driving demand for professional equipment
  - *Supports, LED lighting, virtual production and mobile power*



## Broadcast

*c.60% of revenue*

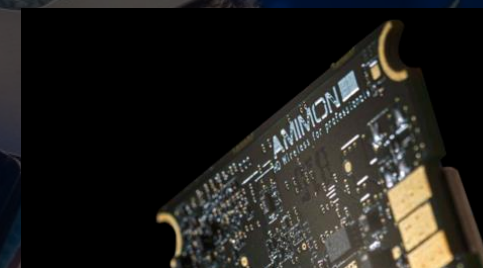
- Investing in new technologies with unique features to accelerate refresh cycles and expand our addressable market
  - *LED lighting, mobile power, flowtech for on-location and 24-hour news*
  - *Robotic camera systems and voice-activated prompting to automate studios*
- Major global sports events market recovered

**Core business growing and continuously evolving with advanced technologies and software**

# Creative Solutions



- TAM larger, driven by streaming and demand for original content
- Strategy focused on delivering 4K/HDR replacement cycle, as well as new technology for remote monitoring/collaboration/streaming in cine, enterprise, medical, industrial and gaming markets



## Cine/Scripted TV/ICC

*c.70% of revenue*

- Strong demand in original content production driving growth
- Executing 4K/HDR replacement cycle; unique, patented, zero-delay Amimon technology
- Teradek TV cloud collaboration (SaaS) platform enables live remote monitoring of camera feeds

## Enterprise

*c.30% of revenue*

- High-end IP network video encoders for broadcast, houses of worship, corporates, governments, schools
- Amimon's zero-delay P2P video for medical and industrial markets
- Cloud-based video production/editing SaaS for content creators utilising Lightstream technology

## ART

- Ultra-low latency, high quality video over IP, using patented Amimon technology
- Cine, medical, industrial and broadcast markets

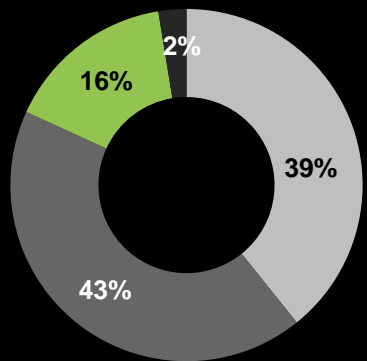
**Core business growing strongly  
plus added new vertical markets, and new cloud and ART technologies**

# Where we operate



- Sites in 11 countries; sell into 100+ countries
- Sales: UK accounts for only 9% of revenue
- Well capitalised, world-class manufacturing facilities in Italy, Costa Rica, UK & US
- Low-cost APAC sourcing, including China & Vietnam
- R&D centres in Israel, Italy, New Zealand, UK & USA

## 2021 revenue analysis by location of customer



- Europe
- North America
- APAC
- Rest of the World



# Market and strategy

# 2025 organic strategic ambition



Revenue £600m

>£100m operating profit

Mid to high teen margin

Net debt:EBITDA <1.5x

# Group strategic priorities



1

**Organic growth**

2

**Margin improvement**

3

**Growth through M&A**

**Well placed to deliver sustainable growth and value for all our stakeholders**



# 1. Organic growth: a sizeable and growing market

- TAM expanded to c.£3bn from c.£2bn pre-pandemic
- TAM now growing high single digit CAGR
- TAM expected to grow to c.£4bn by 2025
- Organic growth being driven by:
  - *c.75% of Videndum's business exposed to four strong structural market growth drivers experiencing double-digit growth (internet, TikTok/YouTube, subscription TV and live streaming)*
  - *Technology change driving shorter product replacement cycles*

TAM expanded and expected to grow high single digit due to core markets growing faster and serving faster growing new markets



# Videndum is growing in three different ways



## 1. Growth in our core businesses

*e.g. professional photography, Broadcast TV and on-set monitoring*

## 2. Growth in new areas of content creation

*e.g. influencers, vloggers and audio*

## 3. Growth in new verticals enabled by video transmission and live streaming

*e.g. medical and industrial*

Market drivers plus technology changes are driving unprecedented growth for Videndum

# Technology change driving shorter replacement cycles



1. **Technology changes in the market allow us to accelerate product refresh cycles**

*e.g. HD to 4K, new camera form factors, new smartphones, automation in TV studios, live streaming*

2. **Our technology innovations with breakthrough new products, features and functionality**

*e.g. ART, flowtech carbon fibre tripod, LED lighting, audio technology and mechatronics*



## 2. Margin improvement



- Operating leverage
- Improved mix
- Pricing opportunity and capability to more than offset inflation
- Operational excellence

We are seeing margin improvement as volumes grow

## 2. Margin improvement



### Pricing reflects product quality and brand strength

1. *Market leading premium positions*
2. *c.90% revenue from professionals*
3. *c.80% mission critical products with little price elasticity – our customers trust us*
4. *Product cost = low proportion of customer budget*
5. *Product availability vs competitors*
6. *In-house pricing expertise*



We have the capability and opportunity to deliver above inflation price growth

# 3. Growth through M&A



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>VMS</b>						JOBY® lowepro®	Rycote®	<del>Syrp</del>		SAVAGE	AUDIX
<b>VPS</b>	CAMERA CORPS		Autocue							QUASAR SCIENCE	
<b>VCS</b>		TERADEK	smallHD.com	PARALINX	OFFHOLLYWOOD WOODEN CAMERA	RTMOTION	AMIMON			LIGHTSTREAM	
<b>Disposals</b>	LITEC BUNNEN TOMCAT		IMT			HIGH FIDELITY bexel					

Above excludes distribution companies in Australia, China, Germany, Netherlands.

### Acquisitions (made 2012 to 2020)

£140m invested

c.20% return in 2022 (post interest and pre-tax)

- Acquired niche leaders in growth segments
- Divested non-core
- Expected return including 2021 and 2022 acquisitions to be >20% by 2025

Excellent track-record of executing and delivering value from M&A

# Capital allocation and priorities



## Organic growth

- Focus on higher growth, higher return markets
- Gross R&D to remain 5-7% of revenue
- Working capital investment reflective of growth rates

## Progressive dividend

- Sustainable and progressive dividend policy
- Target dividend cover: 2.0-2.5x underlying earnings

## M&A

- Clear set of financial and other criteria
- Return to exceed WACC within 3 years
- Target financial leverage: 1.0-1.5x

**Disciplined approach to capital allocation**

# Creative Solutions



The Board believes that Creative Solutions has significant potential, in terms of market opportunity, rate of future growth and margins under Videndum ownership

Continuing to explore options to unlock more shareholder value

*Licensing*

*Selling the technology*

*A joint venture with real industrial merit*

*Selling the Division if the value is right*



**Videndum**  
Creative  
Solutions

# Summary



# Summary



- Leading, premium brands with strengthened competitive position
- Uniquely placed at the heart of the content creation market
- Technology change driving shorter replacement cycles
- World class people, operational excellence and ESG credentials
- Strong M&A track record

**We have built a platform to significantly grow the Group**

- Videndum growing in three different ways
  1. *Core businesses growing*
  2. *Growth in new areas of content creation*
  3. *Growth in new verticals enabled by video transmission and live streaming*
- 2025 strategic ambition
  - *£600m revenue*
  - *>£100m operating profit*
  - *16%-18% operating profit margin*

**We have built a platform to significantly grow the Group**

# Half Year Results 2022

# Summary



## H1 2022 financial highlights

- Record H1 revenue (+23%) and adjusted PBT\* (+36%)
  - *Revenue up 11% on an organic, constant currency basis*
  - *Margins improved and on track towards mid-to-high teen goal*
  - *Pricing more than offsetting inflation*
- Strong operating cash conversion\* at 90%
- Increase in net debt\*, as expected, due to M&A activity and FX
- Interim dividend of 15p per share

## Strategic positioning

- Content creation market larger and growing faster than pre-pandemic
  - *Organic growth driven by the Group's exposure to strong market trends and technology advancement driving shorter product replacement cycles*
- Videndum executing well on strategy of organic growth, margin improvement and M&A
  - *Revenue growth from three routes: core business; new areas of content creation; new verticals enabled by video transmission and live streaming*

## Outlook

- Record order book heading into H2
- Adjusted PBT\* for FY 2022 expected to be at the top end of current market expectations, despite macro-economic uncertainties

# Half year 2022 results



	H1 22 £m	H1 21 £m	% change
Revenue	<b>223.6</b>	181.4	+23%
Gross profit*	<b>98.0</b>	79.8	+23%
Gross margin %*	<b>43.8%</b>	44.0%	-0.2%pts
Operating expenses*	<b>68.0</b>	57.9	+17%
Operating profit*	<b>30.0</b>	21.9	+37%
Operating margin %*	<b>13.4%</b>	12.1%	+1.3%pts
Net finance expense*	<b>(2.9)</b>	(1.9)	+53%
PBT*	<b>27.1</b>	20.0	+36%
Earning per share* (p)	<b>45.4</b>	32.7	+39%
Dividend per share (p)	<b>15.0</b>	11.0	+36%
ROCE *	<b>16.1%</b>	13.1%	+3.0%pts

- Revenue 11% ahead of H1 2021 on an organic, constant currency basis
- Gross margin\* maintained with price offsetting inflation
- Operating margin\* improving, towards mid-to-high teen goal
- Interim dividend of 15p per share
- ROCE\* improving, reflecting higher profits despite extra capital employed on acquisitions

**Record revenue and profit, including high organic growth**

# Divisional performance



	Revenue			Operating profit*		
	H1 22 £m	H1 21 £m	% change	H1 22 £m	H1 21 £m	% change
Media Solutions	111.5	91.7	+22%	18.8	12.8	+47%
Production Solutions	67.5	52.8	+28%	15.0	11.3	+33%
Creative Solutions	44.6	36.9	+21%	4.9	4.5	+9%
	223.6	181.4	+23%	38.7	28.6	+35%
Corporate & unallocated	-	-	-	(8.7)	(6.7)	+30%
	223.6	181.4	+23%	30.0	21.9	+37%

## Media Solutions

- 2% organic, constant currency revenue growth
- Significant growth in lighting offset by geopolitical events and weaker consumer spending, albeit only impacts c.20% of revenue

## Production Solutions

- 24% organic, constant currency revenue growth
- Significant growth in manual and studio supports, and prompting; provision of bespoke solutions at the Winter Olympics

## Creative Solutions

- 13% organic, constant currency revenue growth
- Significant growth in the cine/scripted TV market following the 4K/HDR rollout, and in medical. Initial ART orders received

**Strong revenue growth across all divisions**

# Cash generation



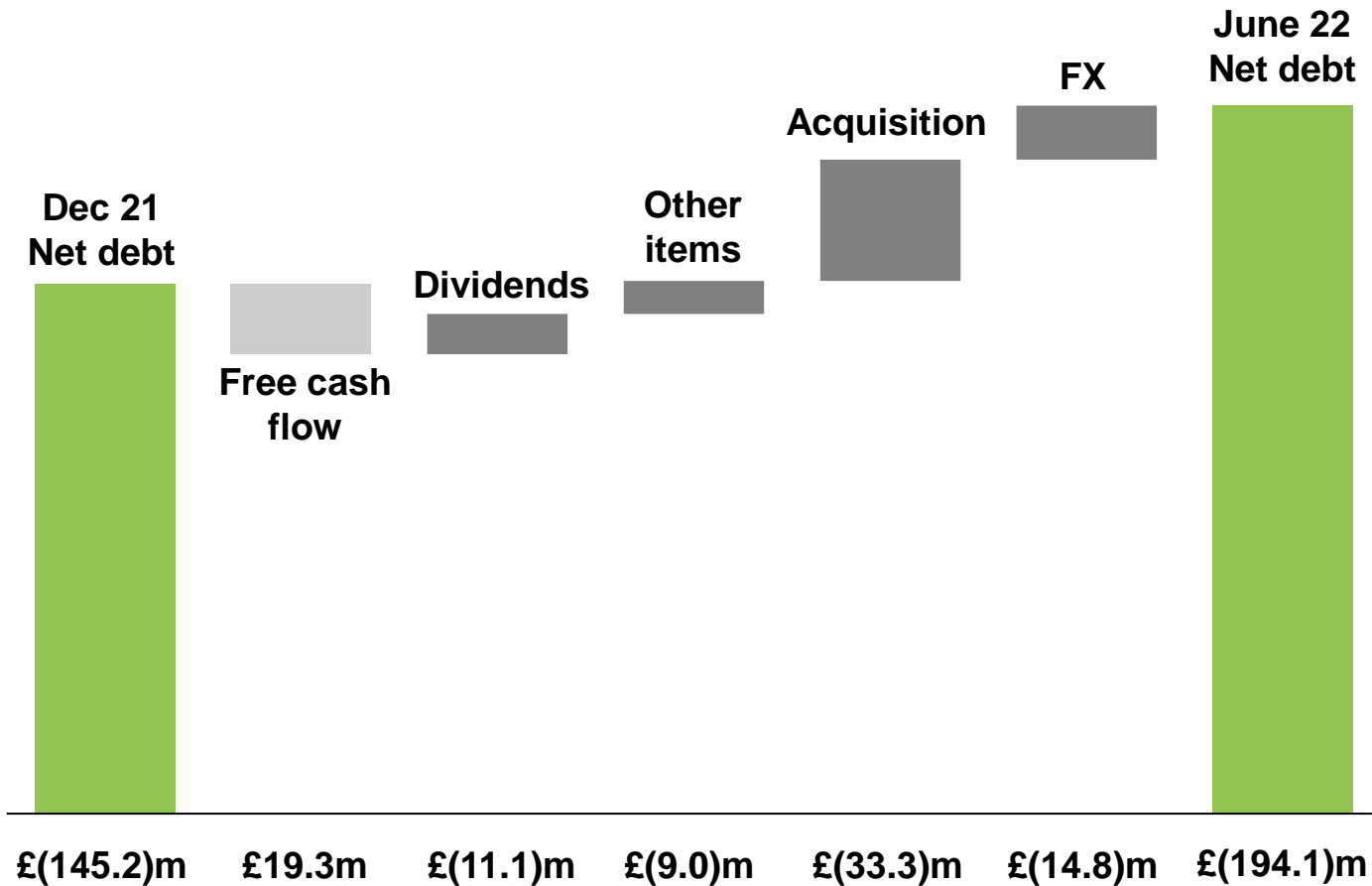
	H1 22 £m	H1 21 £m	Variance
<b>Operating profit*</b>	<b>30.0</b>	<b>21.9</b>	<b>8.1</b>
Depreciation	10.8	9.3	1.5
Dec/(inc) in working capital*	(7.8)	2.6	(10.4)
Inc/(dec) in provisions*	(0.5)	0.4	(0.9)
Capital expenditure	(9.5)	(10.2)	0.7
Other	4.1	1.8	2.3
<b>Operating cash flow*</b>	<b>27.1</b>	<b>25.8</b>	<b>1.3</b>
Interest and tax paid	(5.4)	(6.7)	1.3
Earnout and retention bonuses	(1.1)	(2.0)	0.9
Restructuring and integration costs	(0.5)	(1.0)	0.5
Transaction costs	(0.8)	(0.3)	(0.5)
<b>Free cash flow</b>	<b>19.3</b>	<b>15.8</b>	<b>3.5</b>

Refer to the Glossary in the Condensed Consolidated Financial Statements for more detail

- ▣ £7.8m increase in working capital\*
  - ▣ £12.2m increase in inventory
- ▣ Gross R&D maintained at c.6% of fast-growing revenues
- ▣ Lower tax partly offset by higher interest payments
- ▣ £1.1m earnout and retention bonuses relate to Lightstream and Quasar
- ▣ Free cash flow up 22%

**Strong cash conversion of 90%**

# Net debt



- Strong free cash flow
- £8.3m IFRS 16 lease additions mainly for Audix and Savage included in “Other items”
- Acquisition of Audix in January
- FX impact due to stronger US Dollar
- Liquidity of c.£80m
- Net debt:EBITDA<sup>+</sup> of 2.2x and expect to decrease materially by year end

**Net debt:EBITDA<sup>+</sup> better than management expectations despite adverse FX on debt**



# Selected FY 2022 Guidance



## Profit

- High single digit organic revenue growth
- Revenue slightly H2 weighted, as expected
- R&D amortisation: c.£7m
- Net finance expense: c.£7.5m
- ETR: c.23% for 2022

## Cash and Net Debt

- Gross R&D: c.£30m, c.45% capitalised
- Cash conversion to exceed financial goal of 80%
- Cash tax: c.£10m
- Lease additions: c.£15m (incl Cassola renewal in H2)

Well positioned entering the second half of the year

# Summary



- **Record first half results**
- **Content creation market larger and growing faster than pre-pandemic, driven by strong market drivers and technology driving shorter product replacement cycles**
- **Executing well on strategy of organic growth, margin improvement and M&A**
- **Videndum growing in three different ways**
- **Adjusted PBT for FY 2022 expected to be at the top end of current market expectations despite macro-economic uncertainties**
- **2025 organic strategic ambition of £600m revenue and >£100m operating profit**

**Well positioned to deliver sustainable growth and value for all stakeholders**

# Appendices

# Media Solutions Products for Professional Photography/Videography and Influencer/Vlogger



## Photo & video supports

### Manfrotto

Befree 3 Way Advanced for Sony, Fast Twin Carbon Tripod with Nitrotech 612 head



### Gitzo

Légende, Ball Head series



## Lighting

### Manfrotto

Cold Shoe Spring Clamp, Chroma Key FX Background, HaloCompact Reflector



### Savage

Seamless paper backgrounds



### Avenger

Triple C Roller Case



## Smartphonography & vlogging

### JOBY

FreeHold, JOBY Beamo Ring Light, Vlogging KIT, StandPoint



## Audio capture

### Rycote

Windjammer



### Audix

D6 dynamic instrument microphone



### Joby

Wavo, Lav



## Motion control & stabilisers

### Manfrotto

GimBoom and Gimball MVG 220; Genie II



## Protective solutions

### Lowepro

Flipside BP 300 AW III



### Manfrotto



### Gitzo

Légende Backpack



# Production Solutions Products for Broadcast and Cine/Scripted TV



## Studio pedestals

### Vinten

Quartz Two pedestal



Vinten

## On-location supports

### OConnor

Ultimate 1040 Flowtech System



oconnor

### Sachtler/Vinten

Flowtech with Sachtler aktiv10 fluid head



sachtler Vinten

## Prompters

### Autoscript

EPIC-IP19 with CLOCKPLUS-IP



autoscript

### Autocue

iPad Pro teleprompter



Autocue

## Mobile power

### Anton/Bauer

Product Family



ANTON BAUER

## Distribution, rental & services

### Camera Corps

Q-Ball 3



CAMERA CORPS

## Robotic camera systems

### Vinten

FH-155, FHR155, FP-188 Pedestal



Vinten

## Lighting & controls

### Litepanels

Gemini 2x1, Gemini 1x1, Astra Soft, Astra 6x



Litepanels

### Quasar

RR50



QUASAR SCIENCE

## Bags & camera accessories

### Sachtler

Comporter



sachtler

### OConnor

O-Rig Pro Kit



oconnor

# Creative Solutions Products for Cine/Scripted TV and Live Streaming Enterprises



## Cine

### SmallHD Monitors

Cine 13, OLED 22, Cine 7 + RX Module



**SMALLHD**

### Teradek Wireless

RT CTRL.3 Controller, Bolt 4K MAX, Serv Pro



**TERADEK**

### Wooden Camera Accessories

Ultra QR Articulating Monitor Mount, Ultra Arm v2, Director's Monitor Cage v3, Accessory Kit for RED® KOMODO™



**WOODEN CAMERA**

## Medical

### Monitors



**SMALLHD**



**TERADEK**

## Live Streaming

### Live streaming



### Broadcast IP Video



**TERADEK**

# Responsibility framework

## Our priorities



## Our sustainability milestones

2022

- Development of net zero strategy for all divisions
- Expanding scope 3 data collection (indirect emissions)
- Continue to convert to LED lights across the Group
- Expand reporting around diversity
- Renewed governance initiatives including Code of Conduct, whistleblowing, third-party due diligence and reputational risk training for senior management
- Further investment in energy saving opportunities (solar panels, renewable energy contract, investment in more energy efficient machinery)

2024

- Our ESG supplier programme is embedded
- Reduce Scope 1 and 2 emissions by 25% from our 2019 baseline
- 100% of fleet electric/hybrid
- Reduce business air travel by 50% from our 2019 baseline
- 50% reduction in annual consumption of single-use plastics
- Aspiration for Lowepro bags full product range to be made from 100% recycled fabric
- Carbon offset programmes entered

2025

- Product life cycle (cradle to grave) for five of the top-emitting products we sell
- Carbon neutral for Scope 1 and 2, after offsets

2026

- Improve the Group's overall gender diversity from 70% men, 30% women. At a senior leadership level, we expect the ratio of women to be at least 30%

2030

- Reduce Scope 1 and 2 emissions by 75% from our 2019 baseline

2035

- Reach net zero for Scope 1 and 2

2045

- Reach net zero for Scope 3

**Group-wide approach with significant progress made  
Improved data measurement and disclosures**

# Organic growth

*Driven by four key structural market growth drivers*



**c.75%** of Videndum's business is being driven by double digit growth in content creation\*

## The internet

Growth in retail e-commerce means increased demand for digital content as new products need to be photographed frequently to be published online

Videndum exposure: c.30% revenue

## TikTok, YouTube

Growth in vloggers and influencers creating and sharing content on social media

c.10% revenue

## Subscription TV

Increasing spend on original content creation, driven by subscription channels like Netflix, Amazon Prime and Disney+

c.30% revenue

## Live streaming

Live streaming of video in multiple markets growing strongly e.g. enterprise, medical and gaming

c.5% revenue



# Reframing the future



At the AGM on 17 May 2022, we received approval from shareholders to change the Company name to Videndum plc, with effect from 23 May 2022. This change was due to the need to differentiate ourselves from other companies around the world who also operate under the Vitec name and to better reflect our purpose. It was also necessary to avoid financial penalties under a now settled dispute with a third party with claimed prior rights to the term “Vitec” in some territories.

Building on the structural change and growth in our end markets, and our leading market positions, we used this opportunity to refresh and reframe our brand. “Videndum” better reflects our purpose, presence and opportunity in the multiple market segments of the growing content creation market in which we operate.

At the same time in May, we changed the name of our Imaging Solutions Division to “Media Solutions”. As the Division has grown its portfolio to include JOBY for vloggers, and audio capture under the JOBY, Rycote and Audix brands, the new name better represents its customer base and the exciting opportunities ahead.

# Videndum

## DEFINITION

# videndum

In British English  
(vɪˈdɛndʊm, vaɪ-)

## NOUN

That which must be seen  
A “must see”

## WORD ORIGIN

Latin

# Financial goals

# Financial goals



## Revenue

High single digit  
organic growth

## Pricing power

More than  
offsetting inflation

## Operating leverage

30%+

## Operating profit margin\*

16-18% in 2025

## Cash conversion\*

80%+

## ROCE\*

>25% in 2025

## Dividends

2.0-2.5x  
EPS\* cover

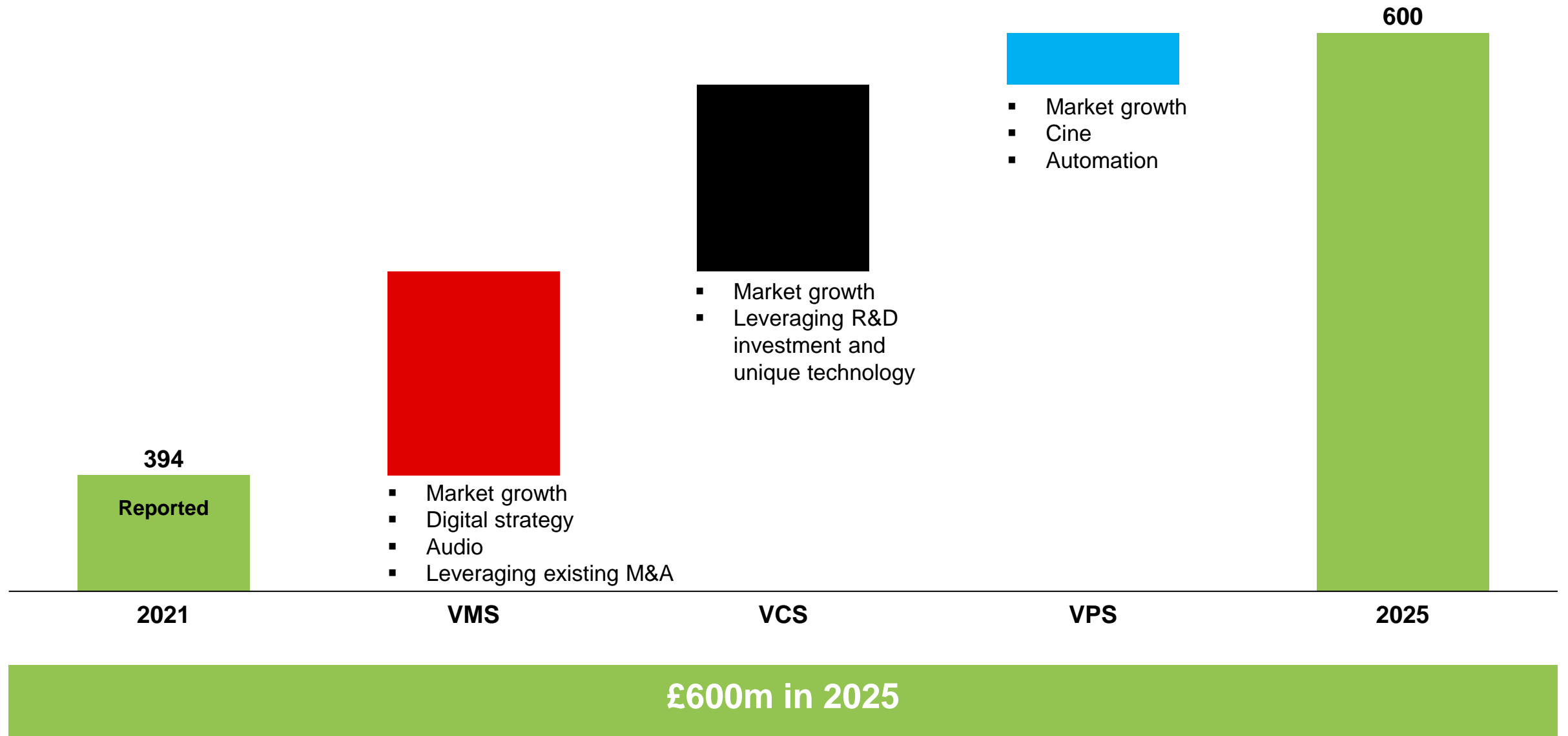
## Net debt to EBITDA\*

<1.5x in 2025

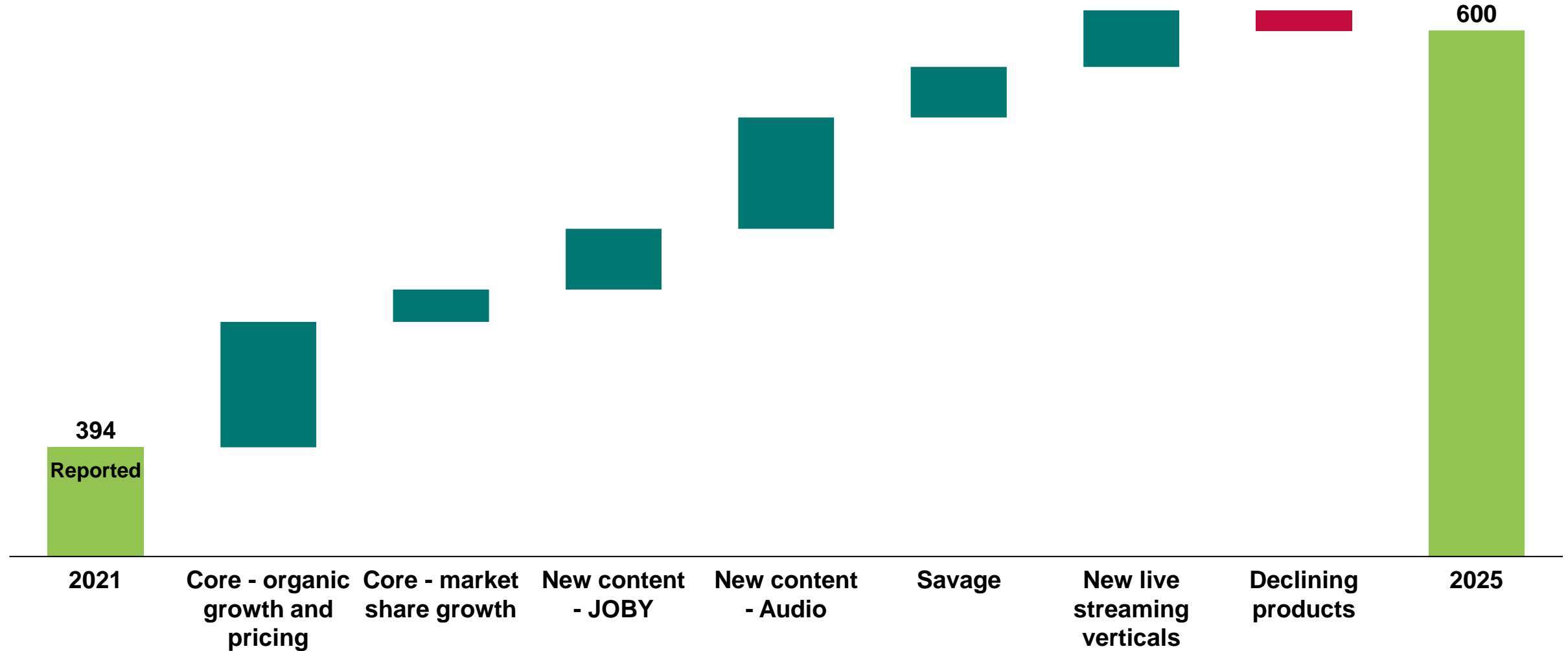
\* Videndum reports alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards ("IFRS")

Offering superior shareholder returns

# Organic growth – Group revenue ambition (£m)



# Organic growth – Group revenue ambition (£m)



**£600m, CAGR 10%+, with no new M&A**

# Organic growth – Group profit ambition



- + Operating leverage
  - + Operational efficiencies
  - + Control of variable costs
- + Pricing in excess of inflation
- + Improved mix / growing e-commerce
- Higher R&D amortisation



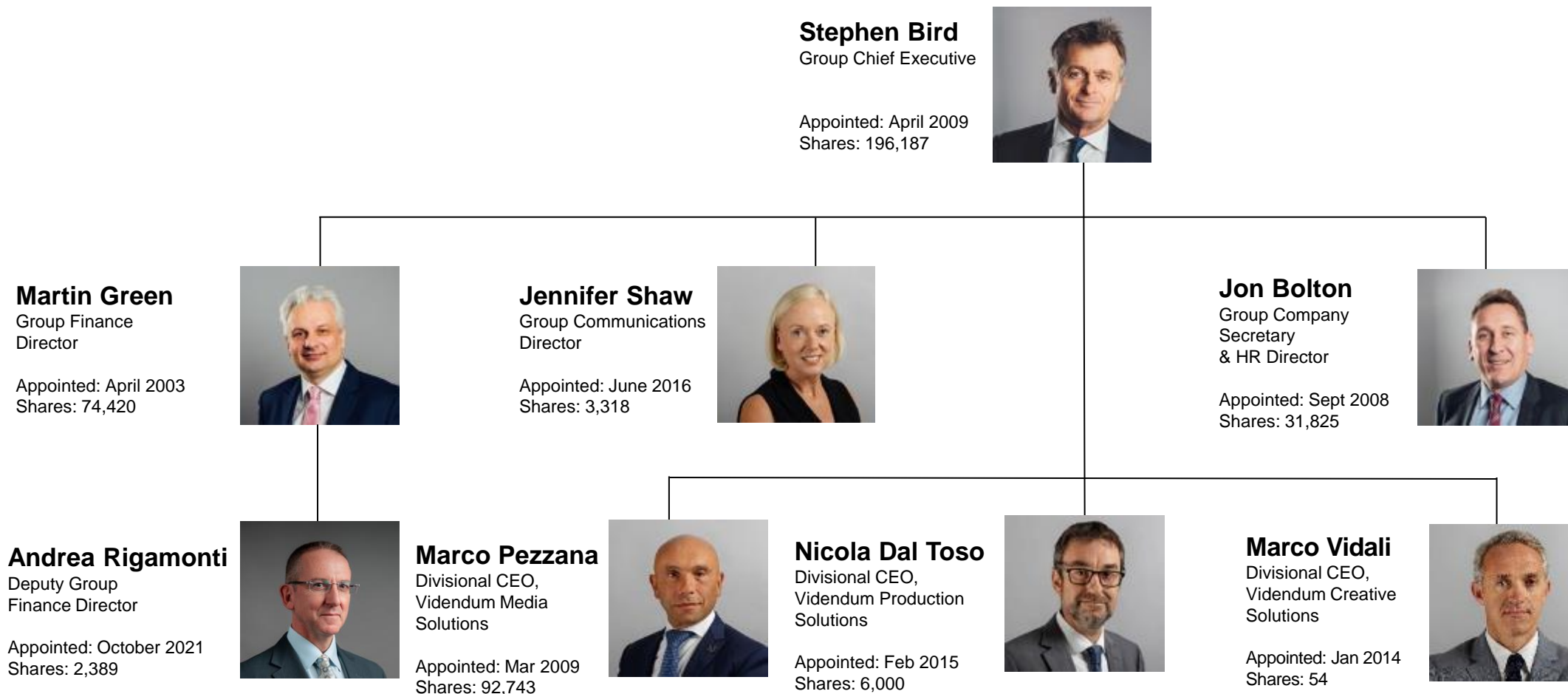
**Operating profit margin**  
16%-18% in 2025

**ROCE**  
>25% in 2025

**Net debt to EBITDA**  
<1.5x in 2025

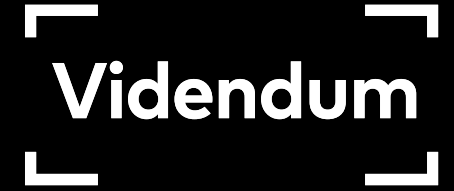
Mid to high teen margins, ROCE > 25% and ND:EBITDA <1.5x by end of 2025

# Our leadership team



Average tenure of senior team is over 9 years; together they hold c.404,000 shares in the company (0.87%)

# Product portfolio



## Audio capture

Audix  
JOBY  
Rycote

## Backgrounds

Colorama  
Savage  
Superior

## Camera accessories

Teradek  
Wooden Camera

## Distribution, rental & services

Camera Corps  
The Camera Store

## IP Video

Teradek

## Lens control systems

Teradek

## Lighting & lighting controls

JOBY  
Manfrotto  
Litepanels  
Quasar

## Live streaming

Lightstream  
Teradek

## Mobile power

Anton/Bauer

## Monitors

SmallHD

## Motion control & stabilisers

JOBY  
Manfrotto

## Prompters

Autocue  
Autoscript

## Protective solutions

Gitzo  
Lowepro  
Manfrotto  
National Geographic\*  
Sachtler

## Robotic camera systems

Camera Corps  
Vinten

## Smartphonography

JOBY

## Supports

Avenger  
Gitzo  
JOBY  
Manfrotto  
OConnor  
Sachtler  
Vinten

## Video transmission systems

Teradek

\* Manufactured under license



# Thank you



**Videndum plc**

Bridge House, Heron Square,  
Richmond, TW9 1EN  
United Kingdom  
T +44 (0)20 8332 4600  
info@videndum.com

videndum.com