

Operational review Imaging Solutions



We are passionate about helping content creators elevate the quality of their portfolios to stand out in an industry where more audio-visual content is being produced and shared than ever before.

Marco Pezzana
Divisional Chief Executive,
Vitec Imaging Solutions

The Imaging Solutions Division designs, manufactures and distributes premium branded equipment for photographic/video cameras and smartphones, and provides dedicated solutions to professional and amateur photographers/videographers, ICCs, vloggers/influencers, gamers, enterprises and professional sound crews This includes camera supports and heads, smartphone accessories, lighting supports, LED lighting, lighting controls, motion control, audio capture and noise reduction equipment, camera bags and backgrounds.

Addressable market*

Imaging Solutions' TAM has increased to £1.2 billion (2021) and we estimate that the market CAGR (2022-24) will be c.5% (previous mid-term forecast of c.1%). Imaging Solutions is expected to outperform the market growth because of its significant exposure to high-growth areas such as vlogging, live streaming and the internet/retail e-commerce. Vitec is focusing on the opportunity to develop and commercialise innovative, high end accessories for CSCs and smartphones, as well as its more traditional DSLR market. We sell our products globally via multiple distribution channels and increasingly online via our own direct e-commerce capability and third-party platforms.

Strategy

We are focused on continued growth in vlogging accessories, professional equipment for retail e-commerce, new audio capture and mechatronic products, and growing the higher margin e-commerce channel.

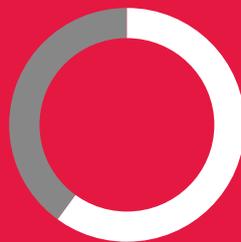
Market position

Vitec has leading premium brands in camera supports and heads, camera bags, vlogging accessories, motion control, audio capture, backgrounds and lighting for the professional and enthusiast photographer/videography, influencer/vlogger and professional sound crews.

Our brands

Product category	Brand	Market position*
Supports	Avenger, JOBY, Gitzo, Manfrotto	1
Bags	Gitzo, Lowepro, Manfrotto, National Geographic (manufactured under licence)	1
Lighting & controls	JOBY, Manfrotto	2
Motion control & stabilisers	JOBY, Manfrotto	New entrants
Smartphonography	JOBY	1
Audio capture	Audix, JOBY, Rycote	Audix – US leader** Rycote – 1** JOBY – new entrant
Backgrounds	Colorama, Savage, Superior	1

Target audience



- Photographic market: **60%**
- Cine/scripted TV/ICC market: **40%**

* Management estimates by sales value in the market segments in which these products are sold.

** In our niche



Operational review

Imaging Solutions' revenue recovered to £194.7 million, which on an organic, constant currency basis was up 1% compared to 2019.

Revenue for professional (c.45% of Divisional revenue) photo and video supports was slightly ahead of 2019 due to new motion control products and strong demand from the professional market. Both professional film-makers and independent content creators are demanding ever-more innovative solutions, to help them create dynamic material with ease and at speed. The Manfrotto MOVE Ecosystem, launched in October, enables film-makers to build their desired shooting platform in a modular way that is remotely controlled.

Hobbyist (c.20% of Divisional revenue) photo supports and bags revenue was ahead of 2020 but still lower than 2019, as markets remained subdued due to travel restrictions. In audio, Rycote performed extremely well with revenue almost 50% higher than 2019 due to increased demand driven by strong growth in sales to external companies integrating Rycote's patented microphone shock mounting for their audio product offerings.

B2B revenue (c.25% of Divisional revenue) increased significantly compared to 2019. Demand for lighting supports in the global sports analytics market has grown significantly, and Manfrotto is the chosen supplier for lighting support stands and carrying solutions to all the main providers in this market; as a result Manfrotto lighting supports saw significant revenue growth on 2019.

In the consumer segment (c.10% of Divisional revenue), there was continued strong growth in JOBY smartphone and compact system camera accessories. JOBY revenue was up almost 30% compared to 2019. JOBY launched the Beamo Ring Light in March, and in January 2022 announced the launch of a new range of JOBY products, leading with WAVO microphones, as well as the JOBY Spin and Swing, which were made in partnership with Syrp Lab.

The production of the premium JOBY GorillaPod was successfully relocated from the Far East to Italy, expanding Feltre's highly efficient manufacturing capabilities. From now on, most of the JOBY GorillaPod line-up for compact system cameras, will be produced in Feltre. This will reduce the distance to European and American markets, strengthen the supply chain and lower environmental impact and carbon footprint as well as enabling Imaging to capture the manufacturing margin.

Adjusted operating profit* of £26.6 million represents a return to pre-pandemic margins. Adjusted operating margin* was 13.7%. On an organic, constant currency basis, adjusted operating profit* was only 2% down on 2019.

Statutory operating profit was £23.7 million (2020: £5.8 million), reflecting £2.9 million of charges associated with acquisition of businesses and other adjusting items (2020: £3.9 million) of which £0.4 million of charges related to the previously announced restructure.

Revenue

£194.7m

↑ Up 24.3%

Adjusted operating profit*

£26.6m

↑ Up 174.2%

Revenue

2021	£194.7m
2020	£156.7m
2019	£196.6m

Adjusted operating profit*

2021	£26.6m
2020	£9.7m
2019	£27.1m

Statutory operating profit

2021	£23.7m
2020	£5.8m
2019	£17.8m

Operational review

Imaging Solutions/continued

Case studies



To record football effectively, you need good, stable tripods and Vitec has been a critical partner, providing high volumes and customisations to suit Veo.

Kawus Nouri

VP Product, Veo Technologies

Social media growth fuels JOBY innovation

In 2021, JOBY launched a range of new products for beginners to professional content creators, for smartphones and cameras. New products include the flexible PodZilla tripod range, the first Apple MagSafe phone mount series and a fun range of changeable feet from GorillaPod.

Production of the premium JOBY GorillaPod was successfully relocated from the Far East to Italy, expanding the highly efficient manufacturing capabilities located in Northern Italy (Feltre). This reduces the distance to European and American markets, strengthens the supply chain and lowers the environmental and carbon footprint.



Growth in Manfrotto and Avenger Lighting and Sports Solutions

Imaging Solutions' Lighting business is seeing significant growth and is now the second largest category in the Division. The increase in demand for original content for scripted TV, cinema and streaming platforms has created an unparalleled demand for film production equipment, including our Manfrotto and Avenger Lighting brands. In addition, the demand for lighting supports in the global sports analytics market – from companies like VEO, Hudl, Pixellot and Movensee – has also grown significantly, benefitting our Manfrotto supports and bags.

Veo is a portable sports camera solution that enables sports teams to record and analyse matches and training sessions without the need for a camera operator. The camera is mounted on the Manfrotto tripod and records the entire sports pitch.





Audix acquisition

Audio capture is an essential part of video creation as it enhances the quality of the content. Vitec's acquisition of Audix in January 2022 accelerated its audio strategy, bringing specialist R&D and manufacturing capabilities to enable the Group to design and build on-camera microphones in-house. Vitec's audio strategy addresses three core market segments:

JOBY is dedicated to on-camera sound, for vloggers and social media influencers. We launched five new models in the WAVO range in January 2022, including the flagship WAVO PRO, a wireless and podcaster microphone.

Rycote serves the growing broadcast and production market. 2021 saw new product innovations including the Nano Shield series and Rycote's first professional broadcast shotgun.

Audix is our premium brand, focused on professional studio and live applications.



Savage acquisition

The growth in production of digital content for the internet is expected to continue as digital commerce advances. This means that high-quality digital content – both video and still images – is more important than ever.

Imaging's leading position in studio accessories was further enhanced during 2021 with the acquisition of Savage Universal. Our range of backgrounds and essential lighting accessories is now the most comprehensive available, and includes Manfrotto Chroma Key backgrounds, perfect for vloggers and film-makers experimenting with green screen techniques.



New Manfrotto Move ecosystem delivers speed and versatility to film-makers

Professional film-makers and ICCs are demanding ever-more innovative solutions to help them quickly and easily create dynamic content.

Manfrotto's new Move ecosystem enables film-makers to build their desired shooting platform in a modular way. It's remotely controlled which makes changes to set-up quick and easy opening-up a whole new world of shooting opportunities.



Out of all the gear I've used, this is definitely the quickest to transfer a camera from a gimbal, to a tripod, to a slider! You can move in seconds where it would normally take four to five minutes.

Devin Supertramp
Professional videomaker

