

Operational review

Production Solutions



Working closely with our customers, we are advancing production technology for broadcasters, cinematographers and content creators with improved control, reliability and speed, enabling them to focus entirely on their creativity.

Nicola Dal Toso
Divisional Chief Executive,
Vitec Production Solutions

The Production Solutions Division designs, manufactures and distributes premium branded and technically advanced products and solutions for broadcasters, film and video production companies, ICCs and enterprises. Products include video heads, tripods, LED lighting, prompters, robotic camera systems and mobile power solutions. It also supplies premium services including equipment rental and technical solutions.

Addressable market*

Production Solutions' TAM of £0.4 billion in 2021 is growing at an estimated CAGR (2022-24) of c.3% (versus previous mid-term forecast of 0%). Production Solutions is expected to slightly outperform the market growth because of significant exposure to high-growth areas like subscription TV and automated production. Vitec is well-positioned due to its broad geographical reach and premium products. We have a global sales team that offers a full range of products and services to our customers all over the world, either directly or via distributors, both online and in stores.

Strategy

We are focused on growth in professional equipment for scripted TV series, products for on-location news and sporting events, as well as robotic camera systems and voice-activated prompting to enable cost efficiencies in studios.

Market position

Vitec is the market leader in most of its product categories, providing premium products for broadcasters, scripted TV, film and video production companies, as well as to ICCs.

Our brands

Product category	Brand	Market position*
Supports	OConnor, Sachtler, Vinten	1
Prompters	Autocue, Autoscript	1
Lighting	Litepanels, Quasar	2
Mobile power	Anton/Bauer	1
Robotic camera systems	Camera Corps, Vinten	2
Distribution, rental & services	Camera Corps, The Camera Store	1

Target audience



- Broadcast market: 60%
- Cine/scripted TV/ICC market: 40%

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

Operational review

Production Solutions' revenue was a record £121.8 million, which on an organic, constant currency basis was 10% ahead of 2019, excluding the Olympics. Revenue was supported by higher royalties received for the Litepanels brand of £4.1 million (compared with £1.9 million in 2020).

The new generation Sachtler aktiv fluid heads, launched in October 2020, continued to be extremely popular and have driven material growth in non-studio supports compared to 2019. Voice-activated prompting was fully launched in 2021 and helped to deliver significant growth in Autoscript sales versus 2019. The Litepanels Gemini 1x1 Hard launched in April and contributed to material organic growth in revenue from lighting versus 2019. These growth areas and revenue from increased royalties were partly offset by studio supports and robotics, where there was a slower recovery in the broadcast industry.

Camera Corps provided a range of bespoke camera solutions for the postponed Euro 2020 tournament which was held across June and July 2021, and at the Tokyo Summer Olympics across August and September; together c.£8 million of revenue.

Adjusted operating profit* of £28.0 million was £8.4 million higher than 2019, benefitting from royalties, profit from the Euros and Olympics, and lower operating costs. Adjusted operating margin* was 23.0%. Excluding royalties from the LED patents it was 20.3%. On an organic, constant currency basis, excluding the Olympics, adjusted operating profit* was 43% up on 2019.

Statutory operating profit was £27.1 million (2020: £6.7 million), which included £0.9 million of adjusting items in relation to the acquisition of Quasar (2020: £0.9 million).

Revenue

£121.8m

↑ Up 52.1%

Adjusted operating profit*

£28.0m

↑ Up 268.4%

Revenue

2021	£121.8m
2020	£80.1m
2019	£111.8m

Adjusted operating profit*

2021	£28.0m
2020	£7.6m
2019	£19.6m

Statutory operating profit

2021	£27.1m
2020	£6.7m
2019	£18.9m

Operational review

Production Solutions/continued



Case studies

“

The outstanding versatility of the Litepanels Gemini panels means we can achieve so many looks accurately and quickly, and save money and time on rigging lights. We were blown away by the Gemini 1x1 Hard. When people see the movie, they will have no idea how we achieved such a big film look with such a small number of lights.

Jeff Ryan
Independent film-maker

Litepanels LED Lighting

A feature film would normally have a truck full of lights to light a large space such as the independent production, Mean Spirited. Thanks to their extraordinary power and creative control options, independent film-maker, Jeff Ryan was able to use just 15 Litepanels Gemini panels controlled via DMX ("Digital Multiplex") via an iPad to light every scene.

In November 2021, Litepanels was awarded a Technology & Engineering Emmy® for its pioneering development of LED lighting for television production.

Quasar acquisition

LED lighting is a strategic growth area for the Group and in April 2021 we acquired Los Angeles-based Quasar who design and develop a range of market-leading, innovative linear LED lighting solutions for cine-style applications. Their products are used in professional, large-scale film and scripted TV production as well as small-scale new media markets, and are highly sought-after for their industry-leading colour quality and versatility. Quasar products are highly complementary to Vitec's existing Litepanels LED lighting brand.

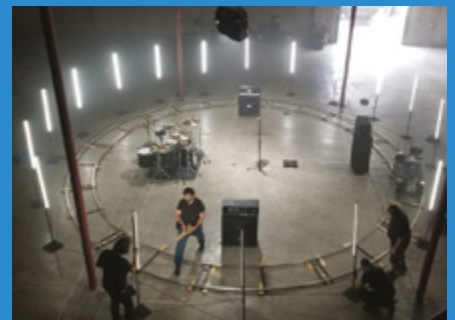


Image: Bligh Gillies

OConnor flowtech system

The new OConnor Ultimate 1040 flowtech100 system, launched in 2021, brings the precision ultra-smooth fluid camera movement that has made OConnor heads the cinematography industry-standard, together with the speed and stability of the award-winning flowtech tripod system.

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Climbing a mountain, you don't skimp on the rope that will save your life. It's the same thing with your camera equipment. The OConnor 1040 system becomes an extension of my body; I have complete control and every movement is smooth, so I never miss the shot.

Renan Ozturk
Adventurer, cinematographer



Anton/Bauer mobile power

For demanding cinematographers, Anton/Bauer's new Dionic XT range represents the gold standard in high-performance battery power. It delivers constantly reliable power to run cameras and accessories at the same time, and sophisticated charging technology to prolong the life of sensitive equipment. Working on Netflix fantasy drama series The Witcher, Steadicam operator James Frater took full advantage of Dionic XT's enduring power to keep up with leading man Henry Cavill, capturing the action and drama as it happened.

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It's important that I have strong reliable batteries, so that I can feel confident I won't run into power issues. Stopping the fast-paced action to change batteries is simply not an option.

James Frater
Steadicam operator



Sachtler aktiv head

The revolutionary aktiv fluid head range – with SpeedLevel™ and SpeedSwap™ technology – allows camera operators to mount, level and lock the head in seconds and to switch quickly from tripod, slider, or hand-held shots in an instant to capture the widest range of shots in the shortest time. The latest addition to the range, aktiv14T brings Sachtler's unique technology to the heavy payload, fast-paced world of electronic news gathering.

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Speed is key because if you're in an environment where you're picking off B-roll shots that are happening as you see them, you've got to be able to quickly get to that next location, level up on your tripod and grab the moment. aktiv makes that speed possible.

Geoff Nelson
Freelance news cameraman

