

Media Solutions continued

Media Solutions designs, manufactures and distributes premium branded equipment for photographic and video cameras, and smartphones. It provides dedicated solutions to professional and amateur photographers and videographers, ICCs, vloggers/influencers, enterprises, governments and professional musicians.

This includes camera supports (tripods and heads), smartphone and vlogging accessories, lighting supports and controls, LED lights, audio capture and noise reduction equipment, carrying solutions and backgrounds. Media Solutions represents c.50% of Group revenue.

Strategy

Our strategy is focused on developing innovative new products to improve customers' productivity in order to grow the core professional business, as well as a focus on high-end audio capture and return to growth in vlogging accessories when the macroenvironment improves.

Market position

Videndum is a market leader in most of its Media Solutions' product categories. Products are sold globally via multiple distribution channels and increasingly online via our own direct e-commerce capability and third-party platforms.

Operational review

Market conditions were tough for Media Solutions, with demand in the consumer and ICC segments (together c.75%) remaining low. This was compounded by destocking as retail and distribution partners looked to reduce cash tied up in stock. The majority of the destocking effect occurred in H1 and management believes destocking is now largely completed.

The strikes impacted the high-end professional segment (c.25%) including the Avenger lighting supports; although revenue was significantly above 2021 level despite the strikes, demonstrating the market share gained by the Buccaneer and Long John Silver stands over recent years.

La Cassa Integrazione Guadagni Ordinaria ("CIGO"), the non-refundable Italian government supported furlough programme, was applied both at the Feltre factory and the Cassola divisional head office, which allowed us to flex manufacturing output to reduce inventory and also reduce operating expenses. Actions were taken to minimise discretionary spend, whilst wider restructuring actions focused primarily on consolidating subsidiaries, helped reduce the cost base.

We restructured our operations to take advantage of location synergies following recent acquisitions. In the UK, our Rycote windshield production is now operating out of our Ashby-de-la-Zouch factory. This has expanded our manufacturing capacity by c.50% and enables us to upgrade our operations. Audio R&D and microphones production moved from the UK to our US audio centre of excellence in Portland, and Media Solutions' US distribution moved out of New Jersey to our Savage facilities in Arizona.

Adjusted operating margin* was down to 7.4% (2022: 16.1%) reflecting operating leverage on the revenue decline, partly mitigated by the cost savings. Statutory operating loss was £4.8 million (2022: £23.4 million profit) which reflects £12.8 million of adjusting items from continuing operations (2022: £9.5 million) and a £3.4 million loss from discontinued operations (2022: £2.2 million loss) which includes £1.2 million impairment of intangible assets at Syrp.

Our brands

Market position* shown in brackets

Supports and Stabilisers (#1)

- Avenger
- JOBY
- Gitzo
- Manfrotto
- National Geographic†

Carrying solutions (#1)

- Gitzo
- Lowepro
- Manfrotto
- National Geographic†

Lighting and controls (#2)

- JOBY
- Manfrotto

Smartphonography (#1)

- JOBY

Audio capture

- AUDIX (US leader[§])
- JOBY (new entrant)
- Rycote (#1[§])

Backgrounds (#1)

- Colorama
- Savage
- Superior

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

† Manufactured under licence.

§ In our niche.

Target audience



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