

Enabling the capture and sharing
of exceptional content.



2024 Interim Results

26 September 2024

Capture.
Share.

Agenda



1. Half Year 2024 Summary

- *Stephen Bird, Group Chief Executive*

2. Current Trading and Outlook

- *Stephen Bird, Group Chief Executive*

3. Market Update

- *Stephen Bird, Group Chief Executive*

4. Financial Review

- *Andrea Rigamonti, Group Chief Financial Officer*

5. Summary

- *Stephen Bird, Group Chief Executive*

6. Q&A

Half year 2024 financial summary



- **Videndum's first half revenue was broadly in line with its expectations and the Group maintained its focus on tightly controlling costs, capex and working capital**
- **Revenue from continuing operations 7% lower than H1 2023, 8% higher than H2 2023, reflecting:**
 - *Some post-strike recovery in the cine and scripted TV market, however the recovery is taking longer than anticipated*
 - *Macroeconomic environment affecting the consumer and independent content creator ("ICC") segments remained challenging*
- **Adjusted operating profit* of £11.0 million**
 - *Sequentially, adjusted operating profit* up £13.9 million vs H2 2023*
 - *Adjusted operating expenses* tightly controlled for the last 18 months despite inflationary pressures (-17% lower in H1 2024 than in H1 2022)*
- **£117.3 million net debt at 30 June 2024, reduced from £128.5 million at 31 December 2023**
 - *165% cash conversion**
 - *H1 2024 leverage of 3.3x due to depressed EBITDA. The Group renegotiated its committed Revolving Credit Facility ("RCF") with its lending banks. The facility has been extended, reduced in quantum, and its lending covenants improved*

Revenue in line with expectations despite continued challenging market conditions

Current trading and outlook



- **Cine and scripted TV market shows continued signs of post-strike improvement with commissioning of new productions starting to ramp up. However, the recovery is taking longer than anticipated**
- **Macroeconomic environment affecting the consumer and ICC segments remains challenging, although there is continued strong demand for new professional Compact System Cameras (“CSC”)**
- **Broadcast TV segment second half performance will benefit, as expected, from the successful delivery of the Summer 2024 Olympic Games contract and forthcoming US Presidential election**
- **Despite signs of a pickup in cine and scripted TV productions, and growth in the premium camera market, the Group, along with other companies in our sectors, has yet to see the anticipated improvement in orders. As a result, we now expect FY 2024 to be below our previous expectations**
- **The Company is implementing a strategic cost-saving programme, projected to deliver at least £10 million in additional permanent savings in FY 2025**
- **The Board expects the cine and scripted TV market to return to higher levels of demand during 2025, and for our ICC segment to start to benefit from the increase in premium camera sales**
- **Videndum remains well positioned in attractive markets with good medium-term prospects**

**Cine and scripted TV market recovery slower than anticipated and macroeconomic environment remains challenging
Well positioned to benefit from more normalised market conditions expected during 2025**

Market update

Signs of recovery in our end markets



- Recovery in cine and scripted TV market taking longer than everyone expected
- However, commissioning of new productions starting to ramp up
- Delay in receiving orders as customers remain cautious due to cash constraints
- Increasing investment in content creation demonstrates long-term confidence in market
 - *Netflix confirmed 2024 \$17bn global content spend (up from \$12.5bn in 2023, with \$7.8bn spent in H1 2024)*
 - *Amazon Prime acquiring Bray Studios in the UK*
 - *Disney \$5bn investment in UK and European productions*
- Cine and scripted TV market expected to return to pre-strike levels of demand during 2025

Expect to see more normalised levels of orders in 2025

Signs of recovery in our end markets



- **ICC market continues to be depressed, driven by low confidence and high interest rates**
- **However, sales of premium cameras picking up, driven by technology and new product development**
 - *CIPA data (Camera & Imaging Products Association) reported sales volume of new interchangeable lens cameras up 8% YTD to July 2024, and lens sales volume up 12%*
 - *Major camera manufacturers forecasting 2023-24 growth in Imaging segments (Canon, Nikon, Fuji latest quarterly results)*
- **Expect the ICC segment in our Media Solutions Division to start to benefit from the increase in sales of premium cameras and lenses**
 - *Professionals and prosumers tend to buy a camera first, followed by upgrading their camera lenses*
 - *Videndum accessories, for example bags and tripods, tend to come next*

ICC segment expected to start to benefit from increase in premium camera sales during 2025

Technology advancement driving shorter product replacement cycles



- *Automated Robotics with AI, Prompting and remote production to drive efficiencies in Broadcast studios and expected to expand to Outside Broadcast*
- *Continued trend towards sustainable portable power solutions*
- *4K/HDR wireless video transmission systems with cloud connectivity*
- *High-end audio capture*
- *New compact system cameras driving innovative new platform to accelerate the replacement cycle in photo/video supports*



Focused on high-end professional and B2B content creation and on product groups with the highest growth and margin potential

Financial review

Half year 2024 results

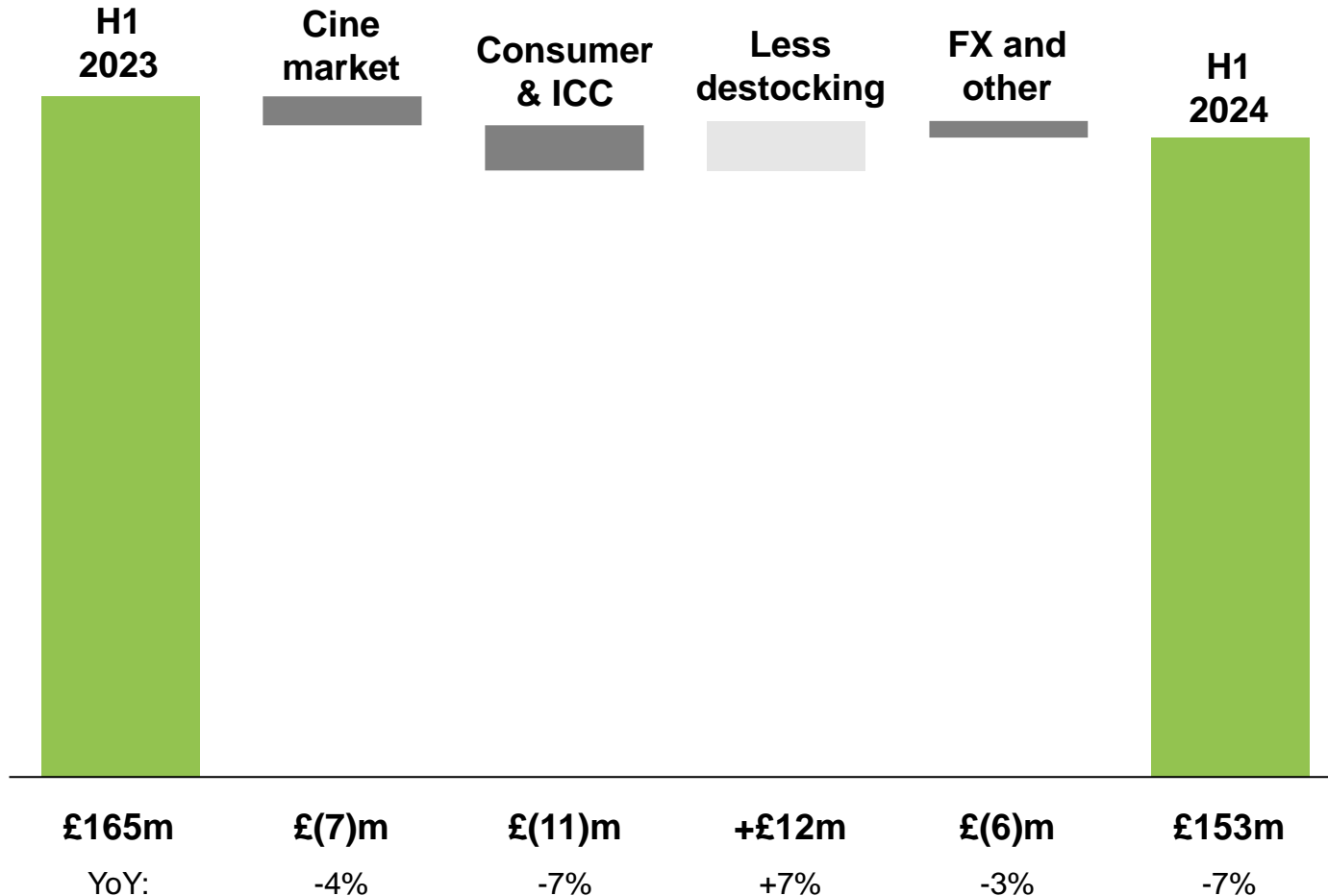


Continuing Operations*	H1 24 £m	H2 23 £m	H1 23 £m
Revenue	153.3	141.9	165.0
Gross profit	62.4	49.5	68.6
Gross margin %	40.7%	34.9%	41.6%
Other income	0.9	0.3	0.4
Operating expenses	(52.3)	(52.7)	(52.8)
Operating profit	11.0	(2.9)	16.2
Operating margin %	7.2%	(2.0)%	9.8%
Net finance expense	(4.1)	(6.4)	(5.1)
PBT	6.9	(9.3)	11.1
Earnings per share (p)	5.7	(9.3)	18.7
ROCE	2.8%	4.5%	16.5%

- Revenue 7% lower than H1 2023 but 8% higher than H2 2023
- Gross margin* slightly lower than H1 2023
- Operating expenses* flat across the past 18 months, reflecting sustained actions
- Net finance expense* decreased due to lower borrowings
- Lower EPS* due to lower profitability and higher number of shares in issue
- Lower ROCE* due to lower profitability

Conditions remain challenging but have seen some recovery from H2 2023

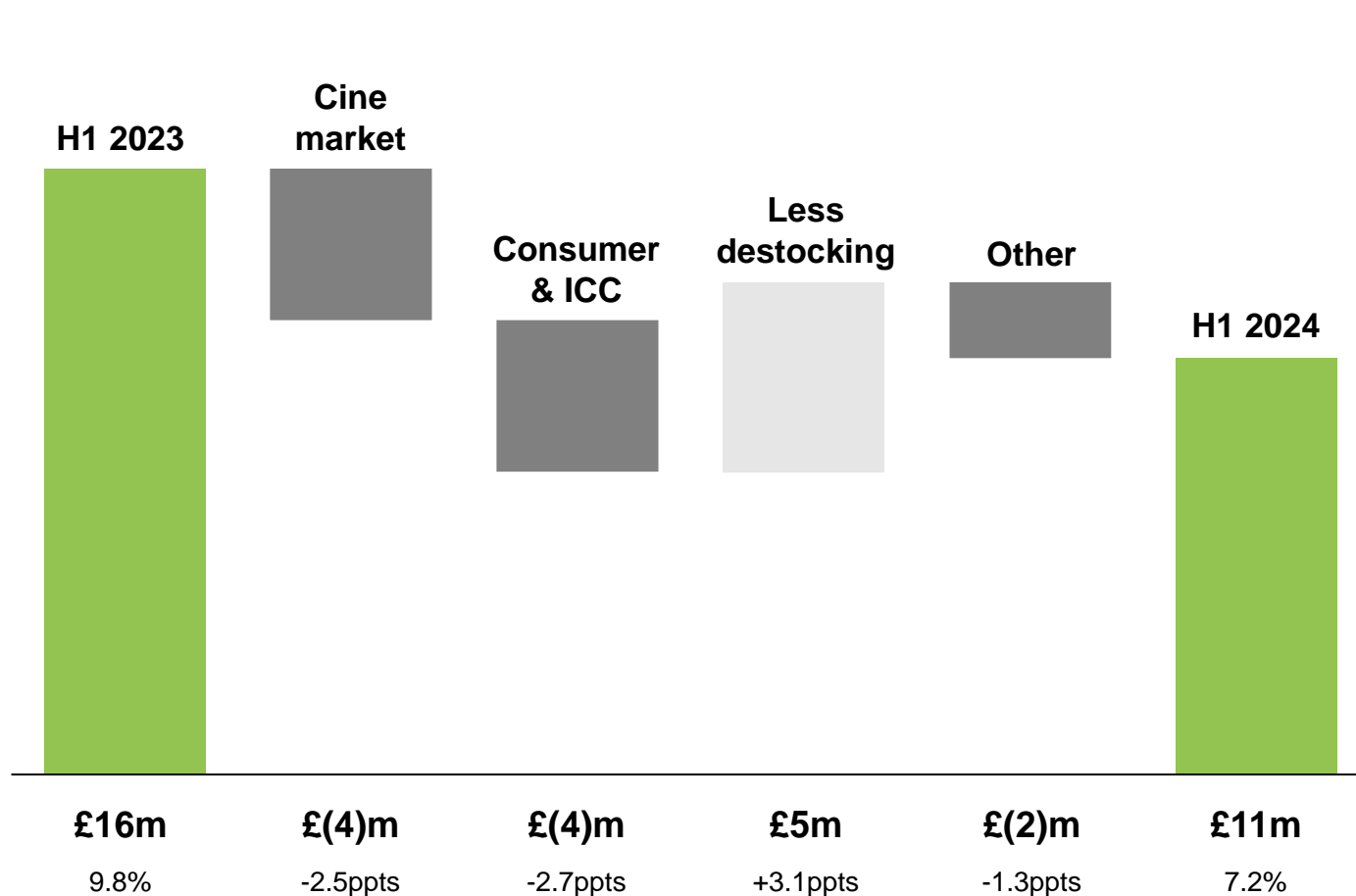
Revenue* bridge



- Suppressed cine and scripted TV market throughout H1 2024, although recovery in comparison to H2 2023
- Consumer and ICC demand continued to decline albeit at a lower rate than in 2023
- Minimal destocking in H1 2024 and significantly less than that in H1 2023
- Adverse FX; 5% revenue decline at constant currency

Revenue down on H1 2023, up on H2 2023

Operating profit* bridge



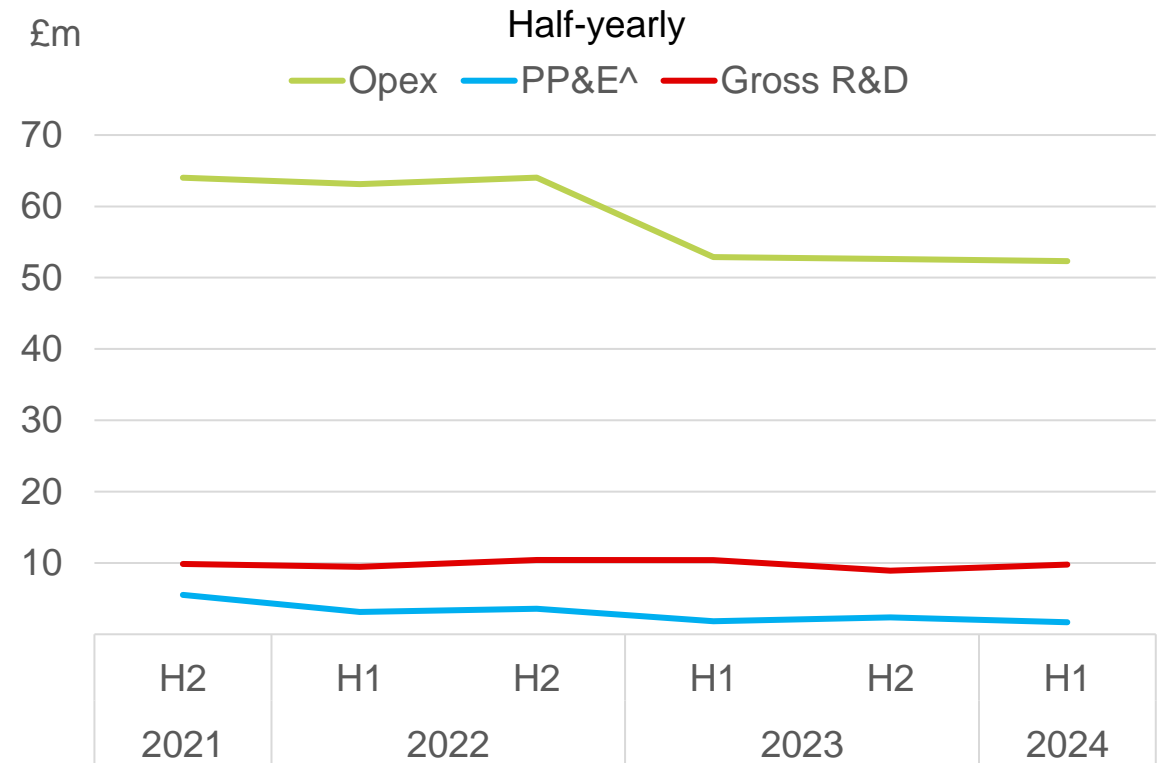
- c.50% marginal contribution impact from lower volumes
- Operating margin* mainly fell due to the operating leverage on the lower revenue with operating expenses* flat vs H1 2023
- Other includes cost inflation

Operating profit down on H1 2023, up on H2 2023

Sustained cost controls



- Tight controls on discretionary spend and restructuring actions have driven a sustained decrease in opex despite inflationary pressures
- PP&E^ has been held at a lower level than it has been historically
- Investment is expected to return in a phased and controlled manner as trading conditions improve
- Gross R&D investment has remained relatively flat as we continue to develop new products to capitalise as markets improve



Cost base tightly managed whilst ensuring investment still in place to drive future growth

Divisional performance



	Revenue			Operating profit*		
	H1 24 £m	H2 23 £m	H1 23 £m	H1 24 £m	H2 23 £m	H1 23 £m
Media Solutions	73.1	71.4	82.3	6.4	0.9	10.5
Production Solutions	46.7	49.5	51.7	5.9	4.8	7.3
Creative Solutions	33.5	21.0	31.0	4.8	(2.9)	3.7
Corporate Costs	-	-	-	(6.1)	(6.2)	(5.3)
Continuing Operations	153.3	141.9	165.0	11.0	(2.9)	16.2

Media Solutions

- Consumer and ICC demand declining albeit at lower rate than 2023
- Much less destocking than in H1 2023
- Cine significantly down following strong sales in H1 2023

Production Solutions

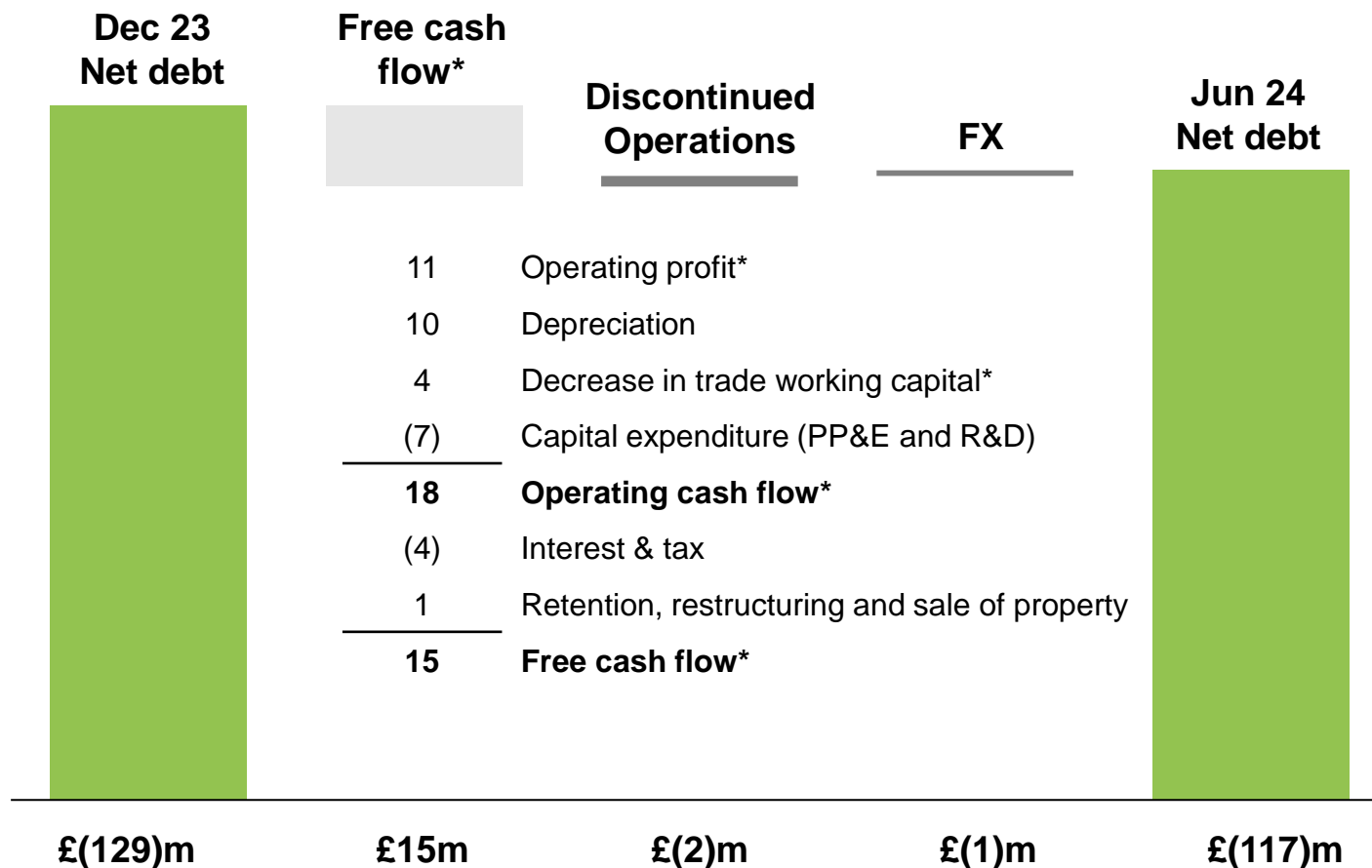
- Tough conditions for the cine market and for ICCs
- Salt-E Dog critically acclaimed but market conditions limiting sales
- Significant growth in robotics, driven by Vinten VEGA

Creative Solutions

- Significant recovery from H2 2023 low but not to pre-strike levels
- Higher revenue than H1 2023, which was had the writers' strike begin in Q2
- Live production sales flat in a challenging market

Conditions remain tough for all divisions, although VCS have seen significant recovery from H2 2023 low

Net debt bridge



- Net debt improved by £12m driven by free cash flow*, which has returned to being positive following outflows in H1 and H2 2023
 - 165% cash conversion* in part reflecting decrease in trade working capital*
 - PP&E spend of £3m remains at a controlled, reduced level
- Extended RCF (to August 2026) and amended covenants
- Leverage+ 3.3x and £64m liquidity at the end of June (£150m committed RCF)

Leverage remained at 3.3x: reduced net debt offset by lower EBITDA

Summary

Summary and outlook



- 1. H1 2024 revenue in line with expectations despite continued challenging market conditions**
- 2. Signs of recovery in our end markets**
 - *Expect to see more normalised levels of orders in cine and scripted TV market in 2025*
 - *ICC segment expected to start to benefit from increase in premium camera sales during 2025*
- 3. Implementing strategic cost-saving programme**
- 4. Investing appropriately in new products to drive shorter replacement cycles**
- 5. Execution underpinned by market-leading positions, premium products and exceptional people**
- 6. Well-positioned to take advantage of the recovery in our markets**

Videndum remains well positioned in attractive markets with good medium-term prospects

Q&A

Dialling in from the UK: 0800 358 1035

Scan the QR code to dial in from all other locations

Access code: 937621

*Press *1 to ask a question*

*Press *2 to withdraw your question*

*Press *0 for operator assistance*



Appendices

Strong business in attractive market with structural growth drivers

1. At the heart of the growing content creation market

2. Market-leading, premium brands in defensible niches

3. Innovative proprietary technology driving shorter product replacement cycles

4. Well invested and efficient manufacturing operations

5. Worldwide distribution channel strength

6. Senior management bench strength

Videndum is well positioned for recovery

ESG: responsibility framework and roadmap to net zero

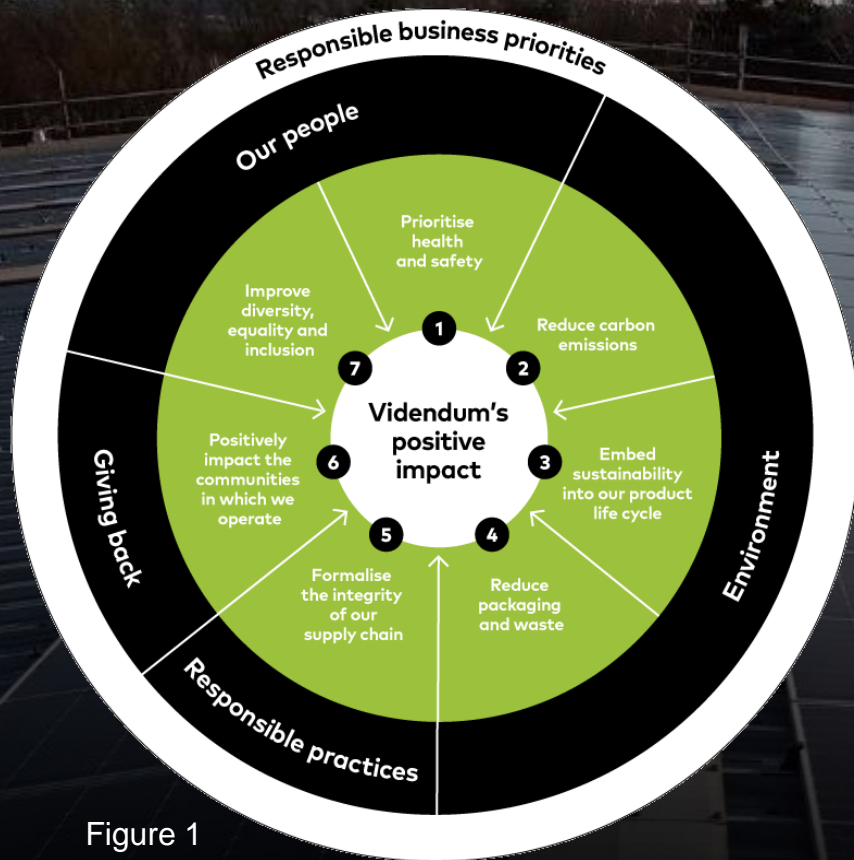


Figure 1

- Our objectives are prioritised into seven key pillars, grouped under four areas (see figure 1). The Group continues to work towards net zero by 2035 for Scopes 1 and 2, and 2045 for Scope 3
- In 2024, we aim to further develop energy and emission reduction initiatives, integrate sustainability into product lifecycles and refine data collection methods, with a focus on Categories 1 (Purchased Goods and Services), 4 (Upstream transportation and distribution), and 9 (Downstream Transportation and Distribution)
- By the end of 2025, we project baseline emissions to be reduced by 60% vs the 2021 baseline, using the market-based approach and based on current planned initiatives

Group-wide approach with significant progress made

FX sensitivities



Currency	Current spot rates (24 Sep 24)	HY 24 average rates	HY 23 average rates
USD	1.34	1.26	1.23
EUR	1.20	1.17	1.14
YEN	192	192	166

- The expected year-on-year impact on H2 2024 OP* at current spot rates would be £0.9m adverse

- The expected further impact from subsequent currency movements on OP* in H2 2024 is:

Currency	Movement	Impact on operating profit* (£m)
USD	+/- \$0.01	-/+ 0.1
EUR	+/- €0.01	-/+ 0.0
YEN	+/- 1 YEN	-/+ 0.0

Cash generation



Continuing Operations	H1 24 £m	H1 23 £m	Variance £m
Operating profit*	11.0	16.2	(5.2)
Depreciation ⁽¹⁾	9.8	10.3	(0.5)
Dec/(inc) in inventory*	(0.8)	(1.2)	0.4
Dec/(inc) in trade receivables	(5.2)	9.7	(14.9)
(Dec)/inc in trade payables	10.4	(5.9)	16.3
(Inc)/dec in non-trade working capital	(0.7)	(6.9)	6.2
(Dec) in provisions*	(0.4)	(0.1)	(0.3)
Capex – PP&E	(3.0)	(1.9)	(1.1)
Capex – Software	(0.2)	(0.3)	0.1
Capex – R&D capitalisation	(4.2)	(5.5)	1.3
Other ⁽²⁾	1.5	0.7	0.8
Operating cash flow*	18.2	15.1	3.1
Interest and tax paid	(3.6)	(11.0)	7.4
Proceeds from sale of PPE and software	2.5	-	2.5
Earnout and retention bonuses	(1.2)	(3.7)	2.5
Restructuring and integration costs	(0.7)	(3.3)	2.6
Transaction costs	(0.1)	(0.6)	0.5
Free cash flow*	15.1	(3.5)	18.6

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

(2) Includes share-based payments charge (excluding retention) and other reconciling items to get to the adjusted operating cash flow*

Loan covenants



Leverage calculation Jun-24 £m

Reported Net Debt	117.3
Add discontinued ops lease liabilities	0.1
Remove upfront loan fee	1.3
Covenant Net Debt	118.7

Reported 12-month EBITDA*^	28.1
Add back share-based payments^	1.3
Add back material unusual items	5.3
Less interest unrelated to gross borrowings	1.3
Covenant EBITDA	36.0

Covenant Net Debt:EBITDA	3.3x
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	Limit	Actual
Dec-23	<4.25x	3.3x
Mar-24	<4.25x	3.0x
Jun-24	<4.25x	3.3x
Sep-24	<3.75x	
Dec-24 onwards	<3.25x	

Interest cover calculation Jun-24 £m

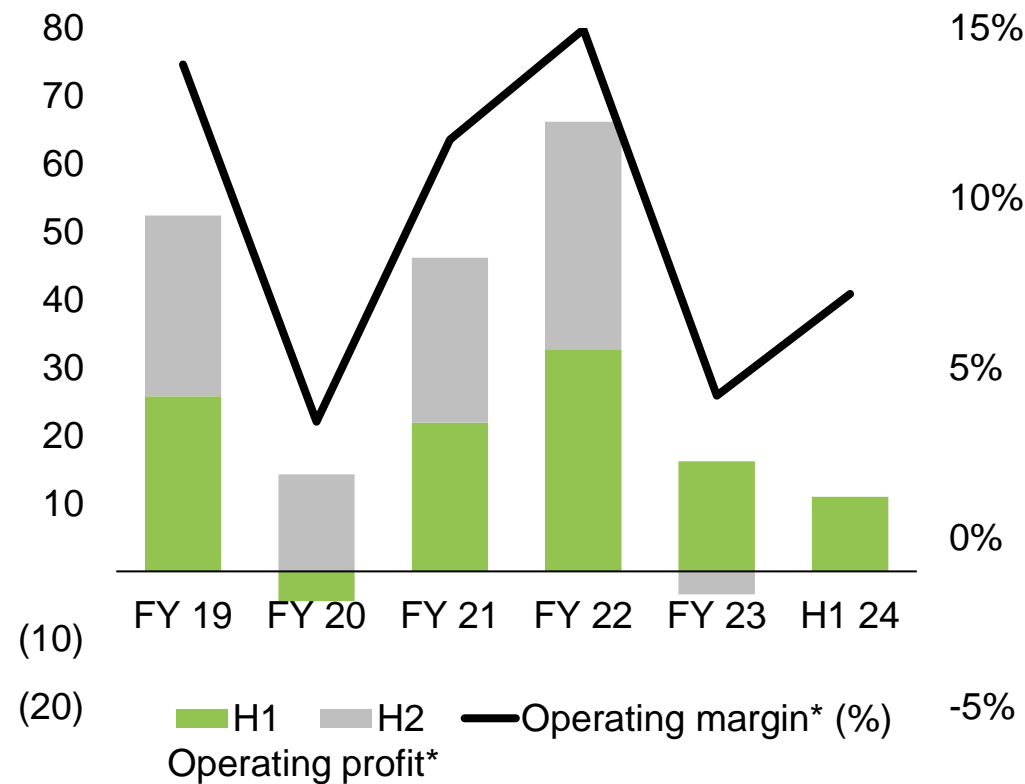
Covenant EBITDA	36.0
Depreciation of PP&E	(13.2)
Covenant EBITA	22.8

Reported 12-month net finance expense*	(10.5)
Less interest not in relation to gross borrowings	(1.3)
Covenant Interest Cost	(11.8)

Covenant Interest Cover	1.9x
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	Limit	Actual
Dec-23	>1.25x	2.0x
Mar-24	>1.50x	2.2x
Jun-24	>1.50x	1.9x
Sep-24	>2.25x	
Dec-24	>3.00x	
Mar-25 onwards	>3.50x	

Five-year summary



	FY19	FY20	FY21	FY22*	FY23*
Revenue (£m)	376.1	290.5	394.3	442.5	306.9
Operating profit* (£m)	52.4	9.9	46.2	66.2	12.8
Operating margin*	13.9%	3.4%	11.7%	15.0%	4.2%
Operating cash flow* (£m)	44.5	25.4	49.7	59.7	10.8
Operating cash conversion*	85%	257%	108%	90%	84%

Our structure and where we operate

Our structure



Videndum plc is organised in three Divisions:

- Media Solutions
- Production Solutions
- Creative Solutions

H1 2024 Financials*

Revenue

£153.3m
(H1 2023: £165.0m)

Adjusted operating profit*

£11.0m
(H1 2023: £16.2m)

Headquarters in the UK

Number of employees

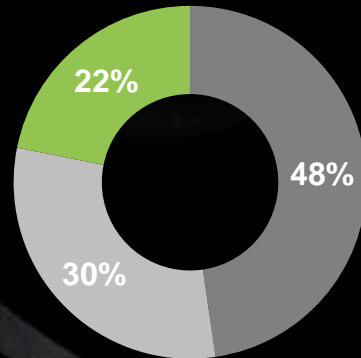
1,600

Number of countries with facilities

10

Group H1 2024 revenue split

- Media Solutions
- Production Solutions
- Creative Solutions



Where we operate

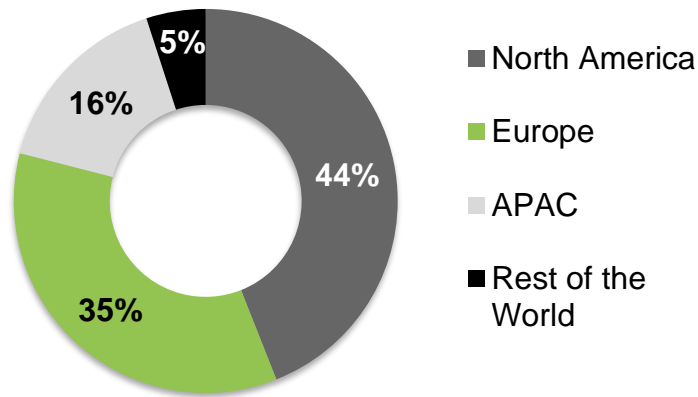


- Sites in 10 countries; sell into 100+ countries
- Well-invested manufacturing facilities in Italy, Costa Rica, UK, US
- R&D centres in UK, Italy, US, Israel
- Far East Procurement Centre in Shenzhen, China
- Distribution centres in UK, Germany, China, Australia, Singapore, Japan

- Manufacturing sites
- R&D sites
- Procurement centre
- Distribution sites



FY 2023 revenue analysis by location of customer



Media Solutions Products* for Professional Photography/Videography, Influencer/Vlogger, Cine and Scripted TV



Photo & video supports

Manfrotto

FAST tripod collection
(Single and Twin legs)
Befree Tripods



Gitzo

Systematic
Ball Head series



Lighting

Manfrotto

Rapid Flags



Savage

Seamless paper backgrounds



Avenger

Buccaneer



Smartphonography & vlogging

JOBY

GorillaPod 5K
SeaPal



Audio capture

Rycote

Pencil mics



AUDIX

PDX720
Signature Edition



JOBY

Wavo PRO



Carrying solutions

Lowepro

ProTactic III



Manfrotto

PRO-Light Cineloader and accessories



Adjacent supports

Manfrotto

Alpha S.H.O.T.



Production Solutions Products* for Broadcast, Cine and Scripted TV



Studio pedestals

Vinten

Osprey pedestal Range



Vinten

Sachtler

Vario Ped



sachtler

Tripods & Fluid Heads

OConnor

Ultimate 1040 flowtech system



oconnor

Sachtler/Vinten

flowtech Tripod aktiv fluid head



sachtler Vinten

Prompters

Autoscript

EPIC-IP19 with CLOCKPLUS-IP



autoscript

Autocue

Pioneer Series teleprompter



Autocue

Mobile Power

Anton/Bauer

Product Family



ANTON BAUER

Salt-E Dog

Sodium sustainable power



SALT-E DOG

Distribution, rental & services

Camera Corps

Qx Robotic Camera



CAMERA CORPS

Automated studio systems

Vinten

FP-188 Pedestal, FHR-155 Robotic Head, VEGA Control Panel



Vinten

Lighting & app controls

Litepanels

Gemini, Astra IP, Studio X



LITEPANELS

Quasar Science

Product Family



QUASAR SCIENCE

Bags & camera accessories

Sachtler

Camporter



sachtler

OConnor

O-Rig Pro Kit



OCONNOR

Creative Solutions Products* for Cine and Scripted TV and Live Streaming Enterprises



Cine

SmallHD Monitors

Post-Production, Production, 10", 5-7" Monitors



SMALLHD

Teradek Wireless

Wireless Lens Control, Wireless Zero-Delay Video, Production Streaming



TERADEK

Wooden Camera Accessories

Accessory Systems for Sony, RED, Canon, ARRI, Fujifilm, Blackmagic Design, & Panasonic Cameras, Handles, Universal Accessories, Power Solutions



WOODEN CAMERA

Live Production

Live Wireless

Wireless Zero-Delay Video



Broadcast IP Video

Low-Latency Encoders & Decoders, 5G Bonding



TERADEK

Connectivity & Services

Cellular Data Plans and Modems, Rental Services



Product portfolio



Audio capture

AUDIX
JOBY
Rycote

Backgrounds

Colorama
Savage
Superior

Camera accessories

Teradek
Wooden Camera

Carrying solutions

Gitzo
Lowepro
Manfrotto
National Geographic*
Sachtler

Distribution, rental & services

Camera Corps
The Camera Store

IP Video

Teradek

Lens control systems

Teradek

Lighting & lighting controls

JOBY
Manfrotto
Litepanels
Quasar Science

Mobile power

Anton/Bauer

Monitors

SmallHD

Prompters

Autocue
Autoscript

Robotic camera systems

Camera Corps
Vinten

Smartphonography

JOBY

Supports & Stabilisers

Avenger
Gitzo
JOBY
Manfrotto
National Geographic*
OConnor
Sachtler
Vinten

Video transmission systems

Teradek

**Capture.
Share.**

Important notice



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This presentation contains forward-looking statements with respect to the financial condition, performance, position, strategy, results and plans of Videndum plc (the “Group”, “Videndum”, 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 publicly 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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Thank you



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