The Vitec Group plc
Full Year Results 2016

21 February 2017

Record performance with strong growth in revenue, profit* and cash

Enabling the capture and sharing of exceptional images

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill, as described on page 2 of this presentation.*

Important notice

Forward-looking statements

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Adjusted performance measures

In addition to statutory reporting, Vitec reports performance on an adjusted basis before restructuring costs, charges associated of acquisition of business, and impairment of goodwill. Adjusted performance measures in this presentation are denoted by an *. Specifically:

- Adjusted performance is before £5.2m of restructuring costs (2015: £4.9m); £9.7m charges associated with acquisition of businesses (2015: £8.1m); and £12.1m impairment of goodwill (2015: £nil). Charges associated with acquisition of businesses consisted of £1.2m of earnout payments and purchase price adjustment (2015: £2.6m); £0.6m of transaction costs relating to acquisition of businesses (2015: £0.1m); and £7.9m amortisation of acquired intangible assets (2015: £5.4m).
- Adjusted gross margin is statutory gross margin excluding restructuring costs of £0.5m that are included in cost of sales (2015: £0.9m).
- Adjusted operating expenses is before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill. It excludes £0.5m (2015: £0.9m) of restructuring costs included in cost of sales.
- Adjusted earnings per share is earnings before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill divided by the weighted average number of ordinary shares in issue.
- Where adjusted performance measures are provided, they are compared to the equivalent measures in the prior year.

Agenda

- Highlights
  - **Stephen Bird,** Group Chief Executive
- Financial Review
  - **Paul Hayes,** Group Finance Director
- Market and Strategy Update
  - **Stephen Bird,** Group Chief Executive
- Q & A

Highlights

Record performance with strong growth in revenue, profit* & cash

Strong growth of 18.4% in revenue and 19.0% in PBT*

Strategic progress in higher technology products, new growth markets & APAC

Delivered underlying growth, excluding non-core Haigh-Farr and despite lower US rentals

Benefit from foreign exchange and higher revenue growth in H2

Strong free cash flow of £44.6m (2015: £16.2m)

10.6% increase in total dividend to 27.2p

Delivering on strategy to transform Vitec to realise growth

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill, as described on page 2 of this presentation.*

Delivering on our strategy to transform Vitec to realise growth

1. **Improving the core** by managing cash, reducing inventory and converting rental assets
2. **Sustained investment in new products, technologies and markets** to drive sales
3. **Getting closer to our customers**
   - Selling more product online
   - Owning more of our own distribution
   - Market-leading collaborations
4. **Growing APAC** with record sales in Japan
5. **Corporate development** successfully acquiring and integrating new businesses

Focusing on growth opportunities in new markets and technologies

Financial Review

Full year results reflect good growth

	2016 £m	2015 £m	Better / (worse)	Better / (worse) at Constant FX
Revenue	**376.2**	317.8	18.4%	4.8%
Gross profit *	**148.6**	129.8	14.5%	1.8%
*Gross margin % **	***39.5%***	*40.8%*		
Operating expenses *	**(107.1)**	(94.4)	(13.5%)	(2.6%)
Operating profit *	**41.5**	35.4	17.2%	(0.3%)
*Operating margin % **	***11.0%***	*11.1%*	*-10 bps*	*-50 bps*
Net finance expense	**(4.0)**	(3.9)		
PBT *	**37.5**	31.5	19.0%	-
Adjusted EPS *	**61.3p**	49.4p	24.1%	
Dividend per share	**27.2p**	24.6p	10.6%	

> Good growth in revenue and operating profit* including benefit of foreign exchange

> Gross margin reflects growth of new technology offsetting anticipated lower performance of Haigh-Farr, and US broadcast asset rentals

> Operating expenses include investments in higher technology business to drive growth and FX

> Full year dividend increased by 10.6% to 27.2p

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill as described on page 2 of this presentation.*

Divisions outperforming their markets

	Revenue				Operating Profit*			
	2016 £m	2015 £m	Δ £m	Δ at Constant FX £m	**2016 £m**	2015 £m	Δ £m	Δ at Constant FX £m
Broadcast	**224.8**	189.0	+35.8	+11.7	**21.0**	20.3	+0.7	(0.6)
Photographic	**151.4**	128.8	+22.6	+5.3	**20.5**	15.1	+5.4	+0.5
	376.2	317.8	+58.4	+17.0	**41.5**	35.4	+6.1	(0.1)

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill as described on page 2 of this presentation.*

Broadcast

> Growth in higher technology revenue partly offset by lower sales in more mature markets

> Rio Olympics and significant NFL contract partly offset by lower US asset rentals

> Non-repeat of strong performance from higher margin Haigh-Farr

> Investment in new and higher technology product development

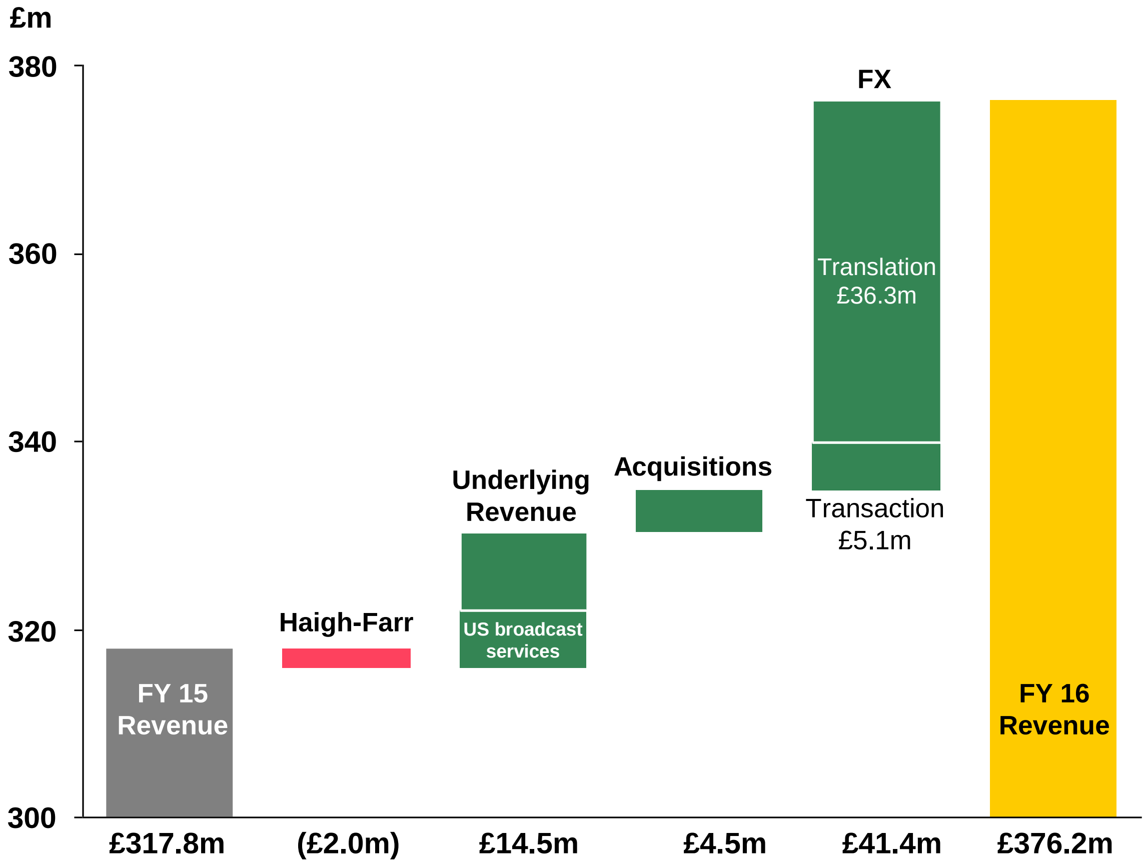
Photographic

> Benefit from recently launched innovative higher margin new products

> Development of own distribution channels & e-commerce activities

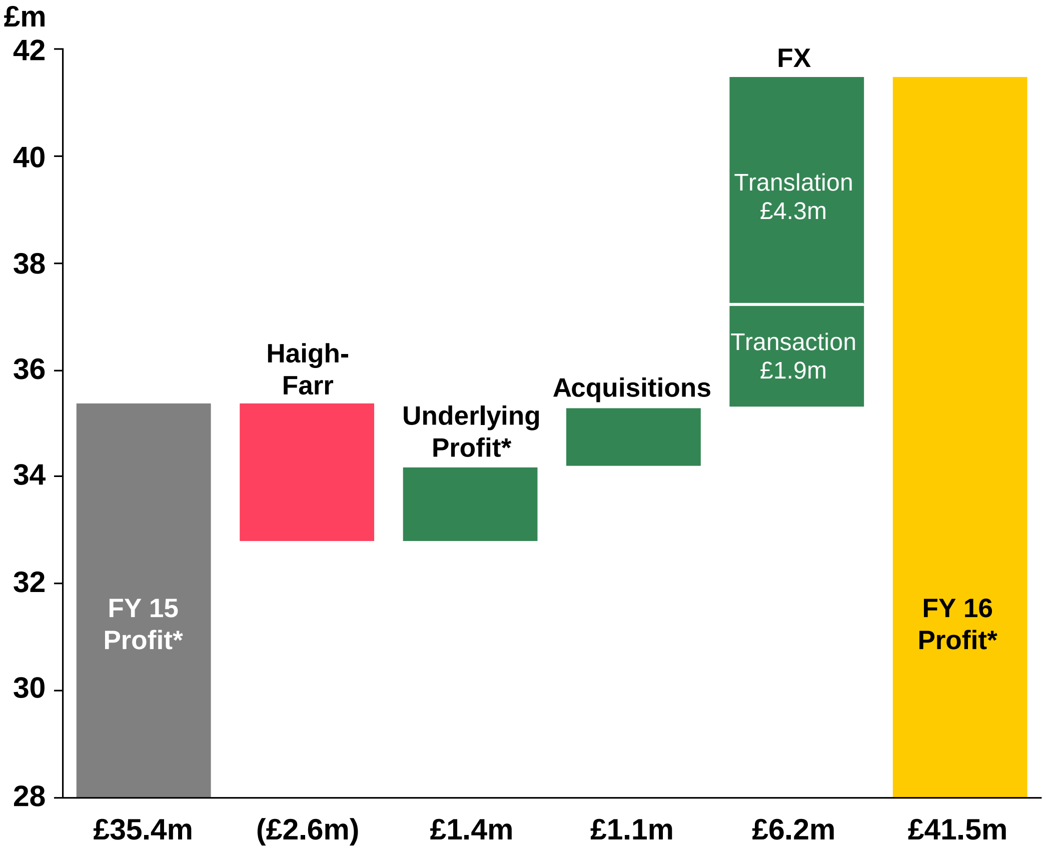
> Growth in APAC region

Underlying revenue growth



- Anticipated lower volumes at non-core Haigh-Farr
- Underlying revenue growth including Olympics and NFL contract
- Acquisitions of Wooden Camera, Provak and Offhollywood performing in line with expectations
- Good growth including significant benefit from FX

Underlying operating profit* growth



> Underlying profit* improvement on higher sales
  > Growth in Photographic & new technologies offsetting lower sales in more mature markets
  > Lower margin NFL contract
> Reduction in underlying operating expenses through restructuring offset by investments in higher technology businesses
> Acquisitions providing a good initial contribution

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill as described on page 2 of this presentation.*

Strong free cash flow

	2016 £m	2015 £m	Δ £m
Operating profit *	**41.5**	35.4	6.1
Depreciation [1]	**18.4**	16.2	2.2
Working capital	**12.0**	(5.2)	17.2
Restructuring cash outflow	**(7.4)**	(3.5)	(3.9)
Other [2]	**0.3**	(1.2)	1.5
Cash generated from operations	**64.8**	41.7	23.1
Capital expenditure [3]	**(16.8)**	(20.6)	3.8
Proceeds from asset sales	**9.0**	4.7	4.3
Net interest and tax paid	**(12.4)**	(9.6)	(2.8)
Free cash flow	**44.6**	16.2	28.4

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill as described on page 2 of this presentation.*

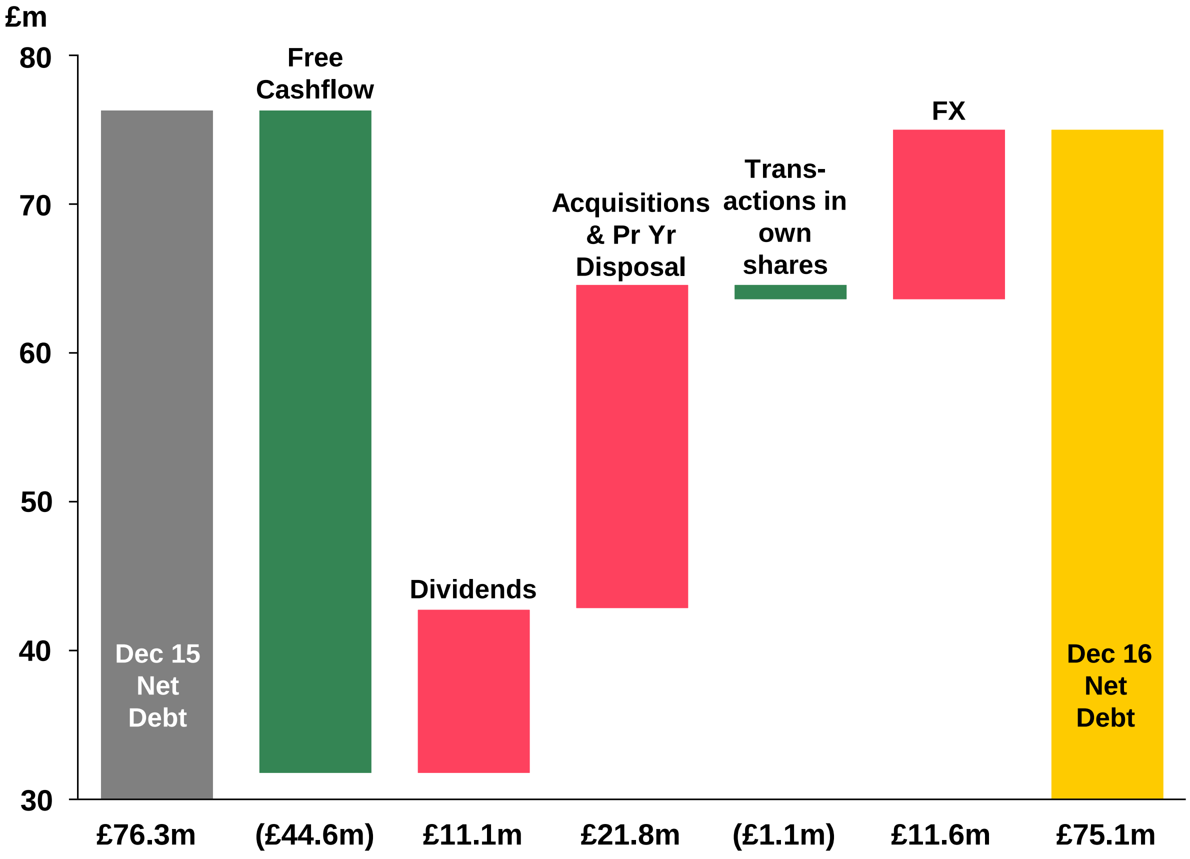
(1) Includes depreciation and amortisation of software and capitalised development costs.

(2) Includes change in provisions, share based payments charge, gain on disposal of PPE, fair value derivatives and transaction costs relating to acquisition of businesses.

(3) Purchase of PPE and capitalisation of software and development costs.

- Focused working capital management initiatives including:
  - £11.2 million inventory reduction
  - Sustained good ageing on receivables
- £7.4 million cash outflow on restructuring
- Proceeds from asset sales includes £3.9 million from sale of Bury site
- Strong cash inflow from US rental assets business
- Net capital expenditure includes lower investment in rental assets
- Higher interest and tax mainly due to timing of tax payments

Strong balance sheet



- Net debt of £75.1 million after £11.6 million adverse FX impact
- Net outflow on acquisitions includes:
  - £17.5 million on Provak, Offhollywood, Xume & Wooden Camera
  - £3.0 million of earnouts on Teradek
- Net Debt to EBITDA ratio of 1.2x (Dec 2015: 1.5x)
- £125 million multi-currency revolving credit facility

Other financial developments

Capture the moment™

- One-off, non-cash, goodwill impairment of £12.1 million on non-core Haigh-Farr and US asset rentals business
- Strong cash inflow from US asset rentals business with performance being carefully reviewed
- Effective tax rate improved to 27% from 30% in 2016; and targeting 27% for 2017
- Amortisation of acquired intangibles including FY2016 acquisitions: £9.4 million per annum going forward
- 2017 H1/H2 phasing of performance in line with historical averages
- If exchange rates remain at current levels Vitec should benefit in the region of £2million in profit from foreign exchange in 2017

A focus on cash and a clear capital allocation policy

1 Reinvest to drive organic growth

- >95% operating cash conversion* (2012-2016)
- >100% cash conversion* 2016
- Clear investment criteria

2 Progressive dividend policy

- Good dividend yield
- >2.0x dividend cover

3 Disciplined approach to acquisitions

- Clear strategic and financial criteria
- Strong track record

4 Maintain appropriate level of gearing

- Net debt to EBITDA: 1.0x to 1.5x
- Maximum of 2.0x for the right acquisition
- If net debt to EBITDA <1.0x then potential return of capital to shareholders

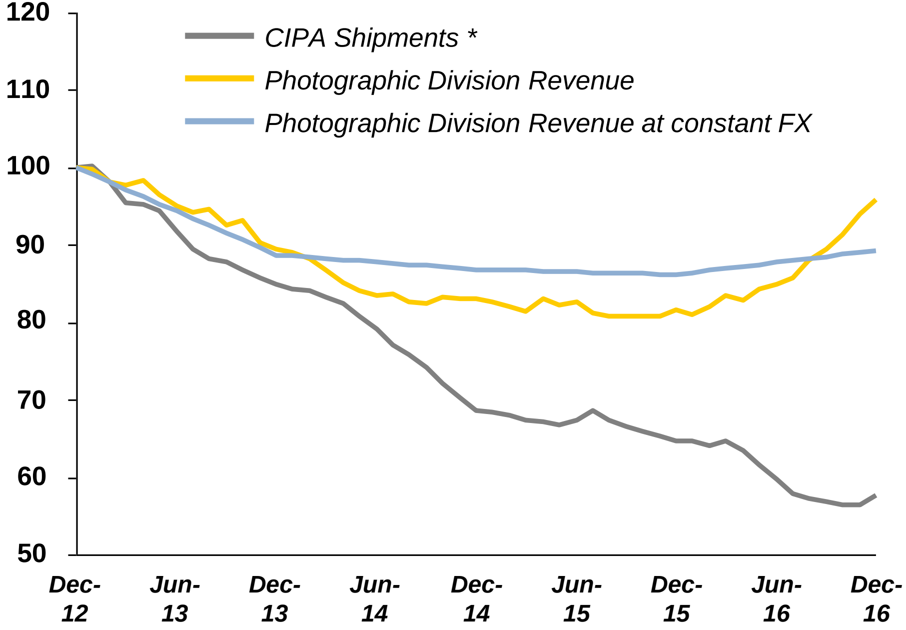
** Cash generated from operating activities after net capital expenditure.*

Market & Strategy Update

Vitec outperforming the market

Photographic Division revenue versus CIPA shipments

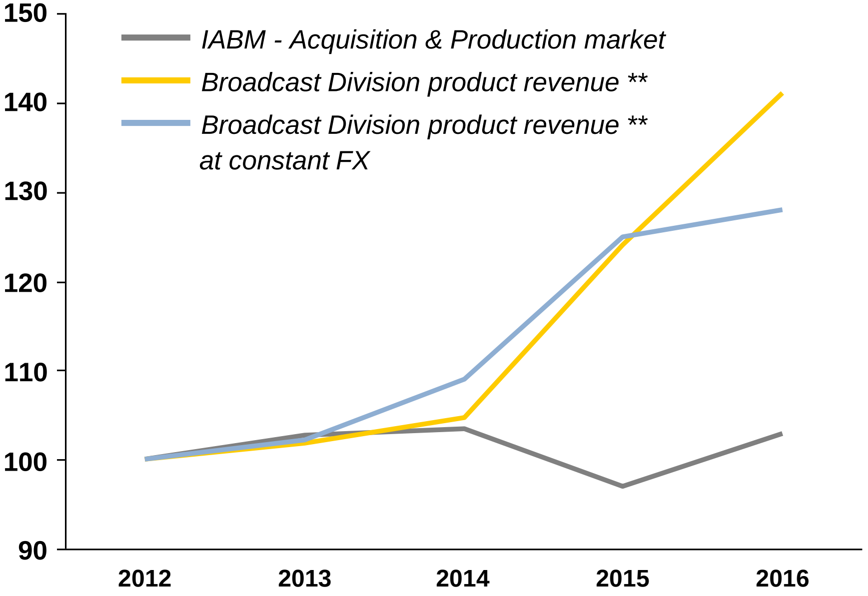
At constant currency, indexed to 100 at December 2012



* Quantity of global shipments as published by Camera and Imaging Products Association (CIPA)

Broadcast Division product revenue** versus IABM

At constant currency, indexed to 100 at December 2012



**Broadcast revenue excluding revenue from Haigh-Farr, broadcast services and 2016 acquisitions

Strategic objectives

VITEC GROUP Capture the moment™

1. Improve the core
2. Focus on new markets and technologies
3. Get closer to our customers
4. Expand in APAC
5. Corporate development

A strategy to continue to realise growth in a changing market

Strategy to continue to realise growth

1 Improve the core

- Focus on cash and leveraging synergies across the Group
- Sustained investment in innovative new product development, e.g. Vinten Vantage robotic camera head and Litepanels LED lights
- Encourage repeat and multiple purchases, e.g. supports, bags, lights and filters

Vinten Vantage

Litepanels LEDs

Befree Live
for mirrorless

3N1

Strategy to continue to realise growth

2 Focus on new markets and technologies

- Launch new, higher technology products for filmmakers and ICCs, e.g. Teradek Sphere and SmallHD
- Collaborate to develop and commercialise high-end accessories for new image capture devices, e.g. Manfrotto TwistGrip
- Capitalise on Vitec's unique position to grow revenue in enterprise video

Teradek Sphere

SmallHD Monitors

TwistGrip for iPhone

VITECEV

Strategy to continue to realise growth

3 Get closer to our customers

- Collaborations with other industry leaders, e.g. Apple and Leica
- Continued development of e-commerce capability, e.g. Amazon and manfrotto.com
- Focus on opportunities to own more of our distribution channels, e.g. Provak

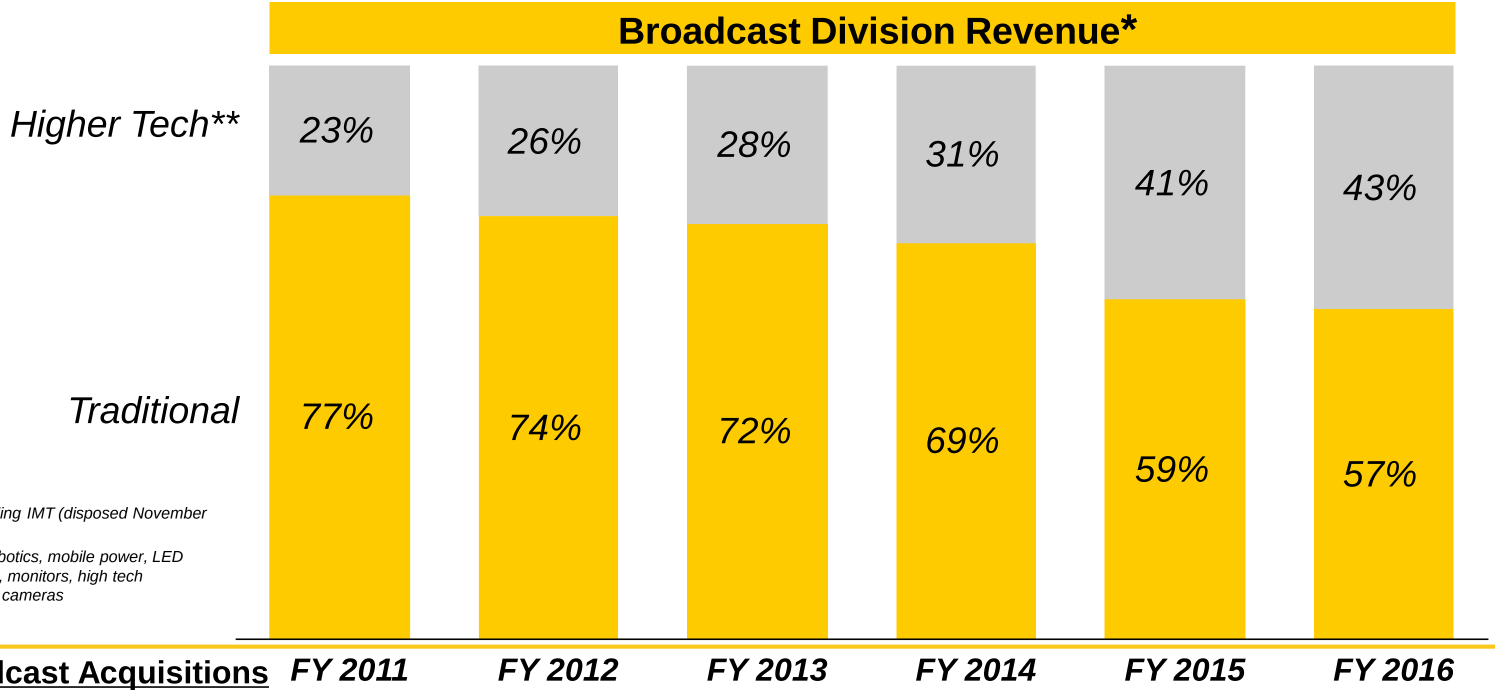
4 Expand in APAC

- Grow Vitec's business throughout APAC

5 Corporate development

- Continue to assess M&A opportunities for value-adding, strategic businesses

A higher technology focused business



*Reported revenue excluding IMT (disposed November 2014) and Haigh-Farr

**Higher Tech includes robotics, mobile power, LED lighting, wireless products, monitors, high tech accessories and specialty cameras

Broadcast Acquisitions

£60m invested (to end FY 2016)

20% return

The share of high technology products revenue has almost doubled in five years

Summary

> Record performance in 2016 with growth in revenue, profit* and cash

> Delivering on strategy to transform Vitec to realise growth

1. Improving the core
2. Sustained investment in new technology and markets
3. Getting closer to our customers
4. Growing APAC
5. Corporate development

> Continuing to outperform the market

Vitec is uniquely placed to take advantage of growth opportunities in a changing market

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.*

Lino Manfrotto 1937 – 2017

Questions

Appendices

Broadcast products

VITEC GROUP Capture the moment™

* Clockwise from top left: ***Teradek:*** *VidiU Pro; Sphere* ***SmallHD:*** *3203 HDR Monitor;* ***Litepanels:*** *Brick Bi-Colour; Astra Soft 1x1 Bi-Color;* ***Offhollywood:*** *OMOD;* ***Paralinx:*** *Dart;* ***Wooden Camera:*** *Ultra Arm; Unified Baseplate; Low Mode V-Mount Adapter.*

Broadcast products

VITEC GROUP Capture the moment™


Vinten

autoscript
a clearer picture

Autocue

sachtler

oconnor

ANTON BAUER

CAMERA CORPS

** Clockwise from left: **Vinten:** Vantage; Hexagon Track system powered by Technopoint; **Autoscript:** E.P.I.C. prompter; **Autocue:** PSP17 teleprompter; **Sachtler:** Sachtler Ace L – Freddie Wong Signature Edition; Video 18S2; **Camera Corps:** Q-Ball 3; **Anton/Bauer:** V90 & G90 Cine Batteries; **OConnor:** Ultimate 2560 Fluid Head.*

Photographic products

Capture the moment™




AVENGER


GITZO

Available in the Apple store


Manfrotto
Imagine More



Lastolite™
Professional


** Clockwise from top left: **Manfrotto:** Digital Director for iPad Air 2; Befree; Compact Xtreme; Off road ThrillLED; **Avenger:** Wind Up stand; **Gitzo:** Mountaineer tripod; Monopod (folded and extended); **Lastolite:** triFlip kit contents silver; **Manfrotto:** Windsor Messenger; Lykos; TwistGrip; PIXI Mini Lumimuse.*

Working capital overview

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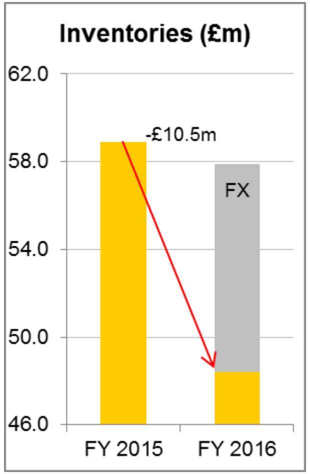
Movement in Working Capital

	FY 2016 £m	FY 2015 £m	Δ £m
Decrease / (increase) in inventories	11.2	(3.0)	14.2
(Increase) / decrease in receivables	(4.5)	0.8	(5.3)
Increase / (decrease) in payables	5.3	(3.0)	8.3
Total	**12.0**	**(5.2)**	**17.2**

Working Capital Days	**2016**	**2015**
Inventory Days	83	105
Trade Receivable Days	43	40
Trade Payable Days	38	44

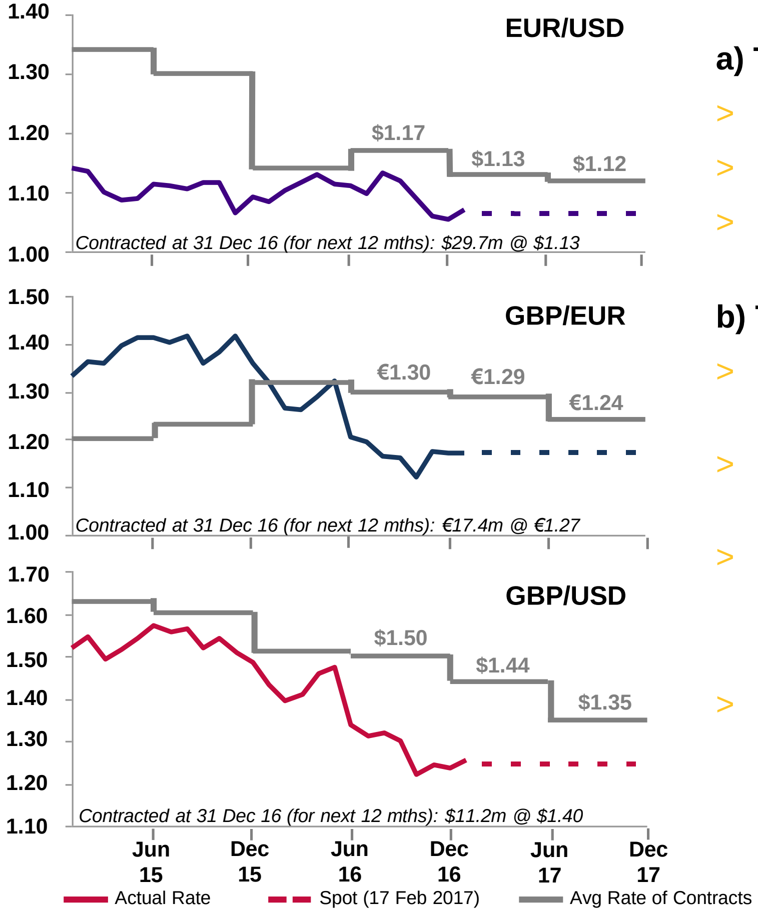
Gross Trade Receivables - Ageing*

	FY 2016		FY 2015		Δ
	£m	%	£m	%	£m
Current	43.2	*81%*	33.6	*84%*	9.6
1-30 Days	5.9	*11%*	4.1	*10%*	1.8
31-60 Days	1.8	*4%*	1.3	*3%*	0.5
> 60 days	2.3	*4%*	1.3	*3%*	1.0
Total	**53.2**		**40.3**		**12.9**



** Days overdue are measured from the date an invoice was due to be paid.*

Foreign Exchange – Key Impacts on Vitec



a) Translation

- Translational impact is unhedged
- The majority of the Group's profit is in USD and EUR
- FY 2016 benefited from the weakening of Sterling

b) Transaction

- Vitec typically hedges c. 75% of its transactional exposures over the following 12-24 months to reduce volatility
- The largest volume is USD earnings in the Photographic Division (EUR/USD)
- The Broadcast Division has USD (GBP/USD) and EUR (GBP/EUR) hedges that have reduced the impact of a weaker Sterling in 2016
- At current rates there would be a net favourable impact in 2017, mainly from translation

Borrowings

- New revolving credit loan facility of £125m
  - Committed until July 2021 with 5 relationship banks
  - Margin at 125 bps over LIBOR (previously 200 bps over LIBOR)
  - Significant covenant headroom
- Private Placement shelf facility established in 2011
  - Matures in May 2017
  - $50m drawn down at December 2016 (Dec 2015: $50m)
  - Blended interest rate of 4.77%
- Dec 2016 Net Debt of £75.1m (Dec 2015: £76.3m)
  - Net Debt to EBITDA ratio of 1.2x (Dec 2015: 1.5x)

GAAP reconciliation: Profit before tax and earnings per share (EPS)

	2016 £m	2015 £m	Δ £m
Adjusted profit before tax*	**37.5**	31.5	6.0
Restructuring costs [1]	**(5.2)**	(4.9)	(0.3)
Charges associated with acquisition of businesses:			
Earnout payments and purchase price adjustment [2]	**(1.2)**	(2.6)	1.4
Transaction costs relating to acquisition of businesses	**(0.6)**	(0.1)	(0.5)
Amortisation of acquired intangible assets	**(7.9)**	(5.4)	(2.5)
Impairment of goodwill [3]	**(12.1)**	-	(12.1)
Profit before tax	**10.5**	18.5	(8.0)

	2016 £m	2015 £m	Δ £m
Adjusted profit after tax*	**27.3**	21.9	5.4
Restructuring costs, charges associated with acquisition of businesses and impairment of goodwill	**(27.0)**	(13.0)	(14.0)
Tax on restructuring costs, charges associated with acquisition of businesses and impairment of goodwill	**8.7**	4.1	4.6
Profit after tax	**9.0**	13.0	(4.0)
Weighted average number of shares ('000)	**44,568**	44,364	
Adjusted EPS [4] (pence)	**61.3**	49.4	11.9
Basic EPS (pence)	**20.2**	29.3	(9.1)

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.*

(1) *In 2016, restructuring costs of £5.2 million primarily relate to the Group streamlining certain operations by downsizing selected activities mainly in the UK, US and Europe and are mainly employment termination costs.*

(2) *A charge of £1.5 million (US$2.0 million) has been recorded in relation to the earnout payable to Wooden Camera.*

(3) *The annual impairment review of goodwill led to a one-off, non-cash impairment charge of £12.1 million (US Broadcast Services business: £4.2 million, Haigh-Farr: £7.9 million).*

(4) *Adjusted earnings per share is earnings before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill divided by the weighted average number of ordinary shares in issue during the year.*

The Vitec Group plc

Overview

What we do

Broadcast Division

> Equipment and Services

	FY 2016
Revenue	£224.8m
Operating Profit*	£21.0m
Operating Margin*	9.3%

Photographic Division

> Equipment and Distribution

	FY 2016
Revenue	£151.4m
Operating Profit*	£20.5m
Operating Margin*	13.5%

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.*

Our ultimate customer is primarily a content creator

Our Divisions

Broadcast Division

Pedestals Tripods Mobile Power	Lighting Prompters Robotics	Monitors Specialty Cameras	Transmitters Software	Systems integration Rentals













Our Divisions

VITEC GROUP Capture the moment™

Photographic Division

Tripods and Heads for photo and video

Bags
Filters
LED Lighting
Lighting Accessories
Smartphone Accessories

Digital Editing Software

Our key brand portfolio

Broadcast Division

Photographic Division

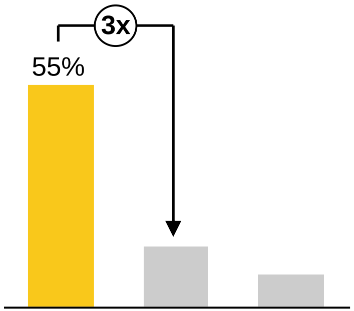
Manfrotto Imagine More

* National Geographic bags are manufactured and distributed under licence

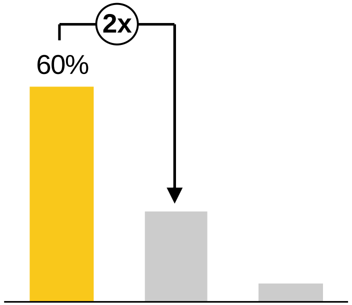
Vitec has a portfolio of market leading world class brands

Competitive landscape

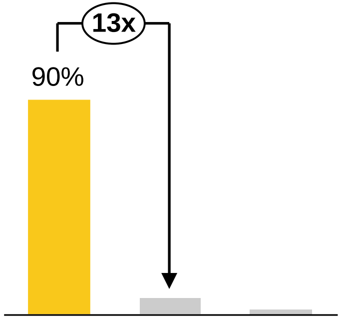
Broadcast Camera Supports



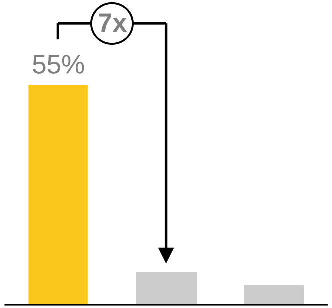
Cine Camera Supports



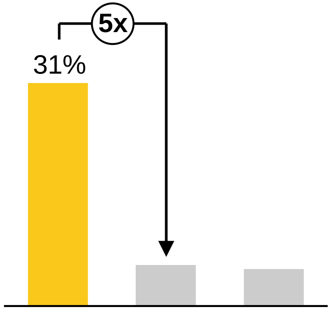
On Set Wireless



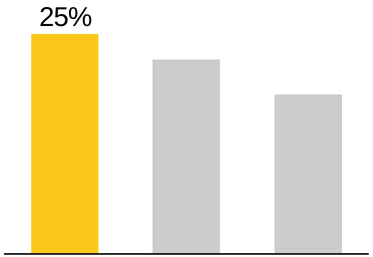
Prompters



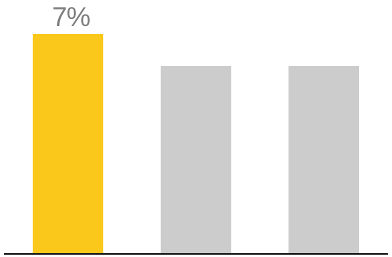
Photographic Tripods



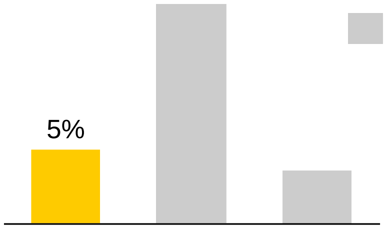
Batteries



LED Lights



Photographic Bags



Vitec market share

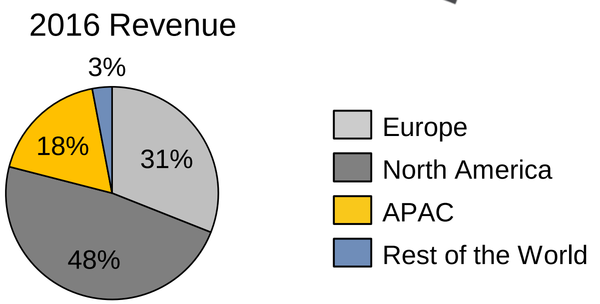
Competition market share

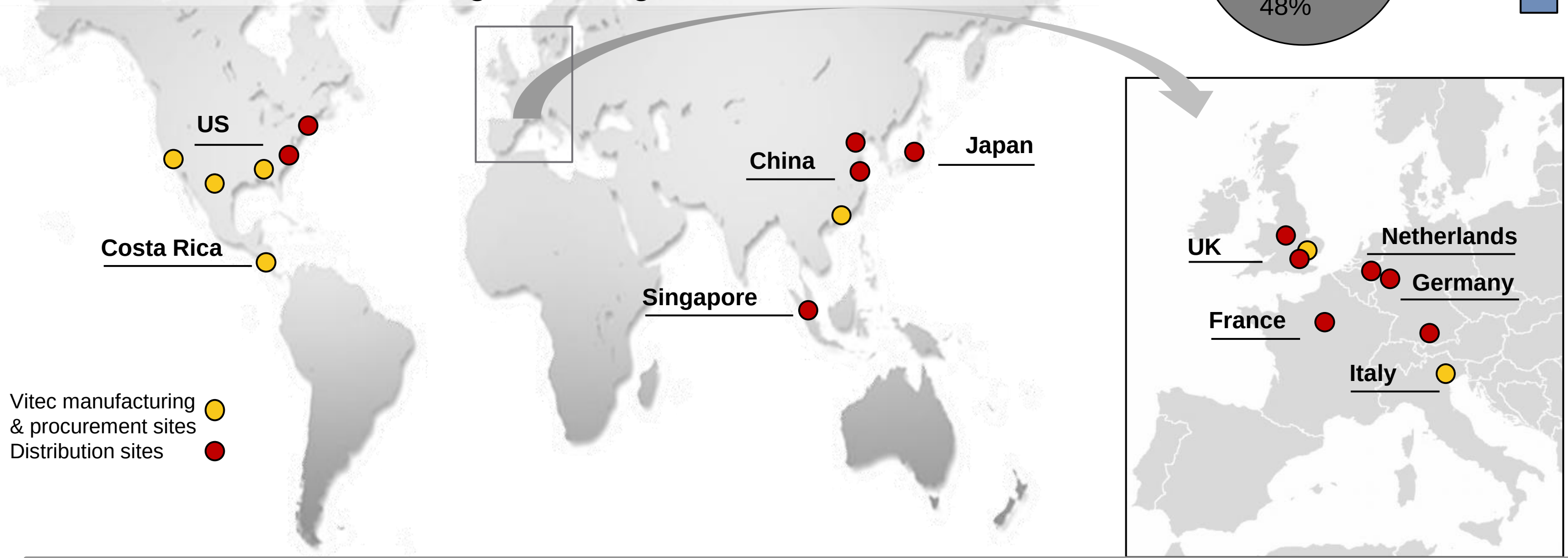
Vitec management estimates by sales value in the market segments in which these products are sold

Vitec holds strong positions in its niche product categories

Where we operate

- Sites in 10 countries; sell into 100+ countries
- Sales: UK accounts for only 9.5% of revenue
- Complex restructuring and streamlining been delivered to plan
- Well capitalised manufacturing in Italy, Costa Rica, UK & US
- Low cost APAC sourcing, including China & Vietnam

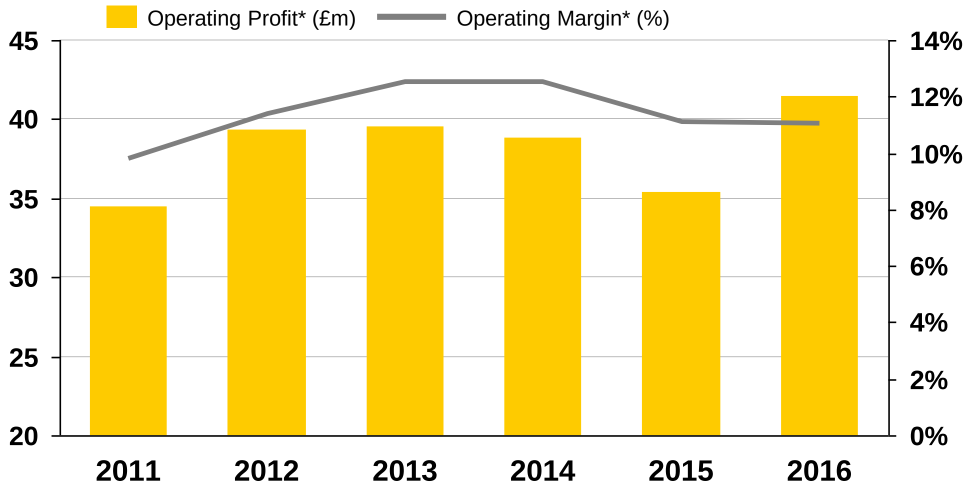




Vitec has strong global distribution

Financial Overview

- Vitec has been strengthened through a number of self-help initiatives
  - Exited from non-core businesses
  - Streamlining & restructuring
  - Integrated some great acquisitions
- Significant improvement in margins despite market conditions
  - Consistent management focus
  - NPD investment maintained
- A strong balance sheet with
  - Good cash generation
  - Net debt to EBITDA 1.2x

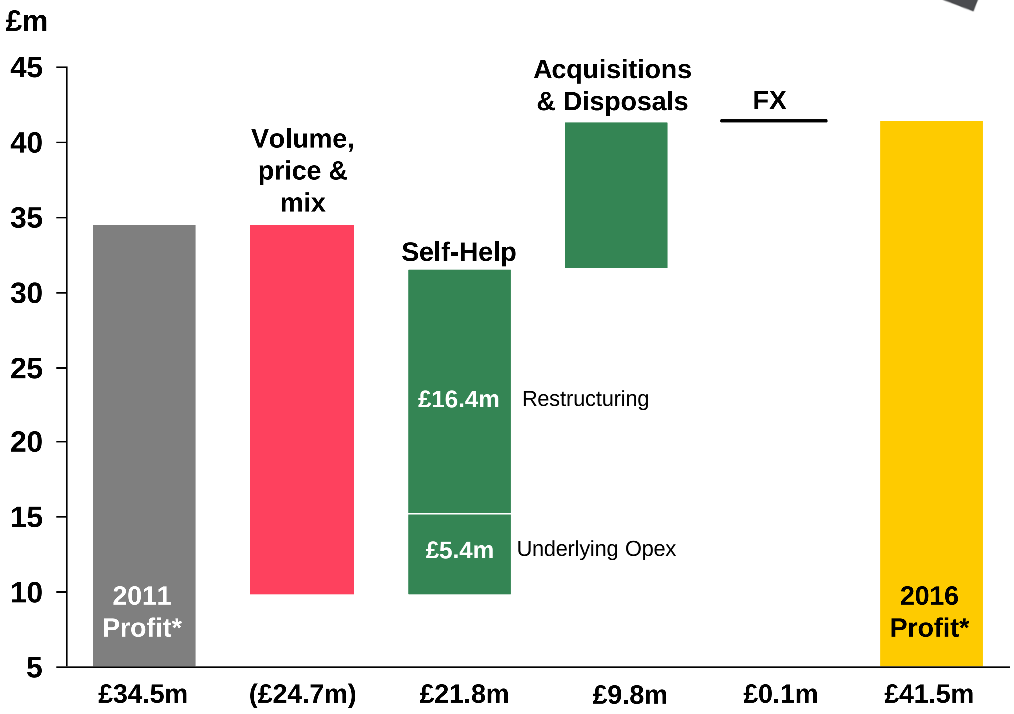


	£m	£m	£m	£m	£m	£m
Revenue	351.0	345.3	315.4	309.6	317.8	376.2
Operating profit*	34.5	39.3	39.5	38.8	35.4	41.5
Operating margin*	9.8%	11.4%	12.5%	12.5%	11.1%	11.0%

** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill, as described on page 2 of this presentation.*

Five year performance reflects self-help & acquisitions

- Profit* growth since 2011 despite market and currency headwinds
- Self-help initiatives have delivered £21.7m of profit
- Acquisitions have performed well with a 20% return on initial investment
- Foreign exchange has been against us until 2015; reversed in 2016



** Before restructuring costs, charges associated with acquisition of businesses and impairment of goodwill.*

Capture the moment™

The Vitec Group plc
Bridge House
Heron Square
Richmond
TW9 1EN
UK

Telephone:
+44 (0)20 8332 4600

Fax:
+44 (0)20 8948 8277

www.vitecgroup.com