The Vitec Group plc
Full year results 2014

> **Stephen Bird,** Group Chief Executive
> **Paul Hayes,** Group Finance Director
> 25 February 2015

Growth in Revenue and Profit at Constant Exchange Rates

Important notice

This presentation contains “forward-looking statements” about The Vitec Group plc’s (the “Group” or the “Company”) plans and targets. By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and depend upon circumstances that will or may occur in the future.

Actual results may differ from those expressed in such forward-looking statements, depending upon a variety of factors, including but not limited to demand and pricing, operational problems, general economic conditions, political stability and economic growth in relevant areas of the world, changes in laws and governmental regulations, exchange rate fluctuations and other changes in business conditions, changes in technology, the actions of competitors and other factors. Nothing in this document should be construed as a profit forecast.

The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The information in this presentation does not constitute an offer to sell or an invitation to buy shares in the Company in any jurisdiction or an invitation or inducement to engage in any other investment activities.

The release or publication of this presentation in certain jurisdictions may be restricted by law. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.

This presentation contains brands and products that are protected in accordance with applicable trademark and patent laws by virtue of their registration.

Agenda

- **Overview**
  - **Stephen Bird,** Group Chief Executive
- **Financial Review**
  - **Paul Hayes,** Group Finance Director
- **Strategic and Operational Review**
  - **Stephen Bird,** Group Chief Executive

Overview

> **Stephen Bird**
> Group Chief Executive

Photo: Autocue portable iPad teleprompter

Overview

- Full year performance in line with the Board’s expectations
- Revenue 3.3% higher and profit before tax* up 9.1% at constant exchange rates
- Operating margin* maintained at 12.5%
- Significant strategic progress with three value-adding acquisitions and exit from IMT
- Group now focused on Broadcast and Photographic Divisions
- Well positioned to benefit from any market upturn

** Before restructuring costs and charges associated with acquired businesses. Profit before tax also before disposal of business.*

Financial Review

VITEC GROUP Capture the moment™

> **Paul Hayes**
> Group Finance Director

Photo: *Gitzo Mountaineer*

Full year results in line with our expectations

	2014 £m	2013 £m	Δ %	Δ % at Constant FX
Revenue	309.6	315.4	(1.8%)	3.3%
Gross profit *	128.8	138.6	(7.1%)	(1.7%)
*Gross margin % **	*41.6%*	*43.9%*	*-230 bps*	
Operating expenses *	(90.0)	(99.1)	(9.2%)	(5.4%)
Operating profit *	38.8	39.5	(1.8%)	7.4%
*Operating margin % **	*12.5%*	*12.5%*	*0 bps*	
Net finance expense	(3.5)	(3.9)		
PBT *	35.3	35.6	(0.8%)	9.1%
Adjusted EPS *	55.9	56.1	(0.4%)	9.9%
Dividend per share	24.0p	23.0p	4.3%	

** Before restructuring costs and charges associated with acquired businesses. Profit before tax and adjusted earnings per share are also before disposal of business.*

- Revenue up 3.3% and PBT* 9.1% higher at constant currency
- Adverse foreign exchange impact: £15.8m on revenue, £3.5m on operating profit*
- Operating margin* maintained despite lower sales and IMT trading loss
- Benefit from tight cost control and streamlining the business
- Maintained investment in product development at 4% of product sales
- Full year dividend increased by 4.3%

Divisions generating improved margins

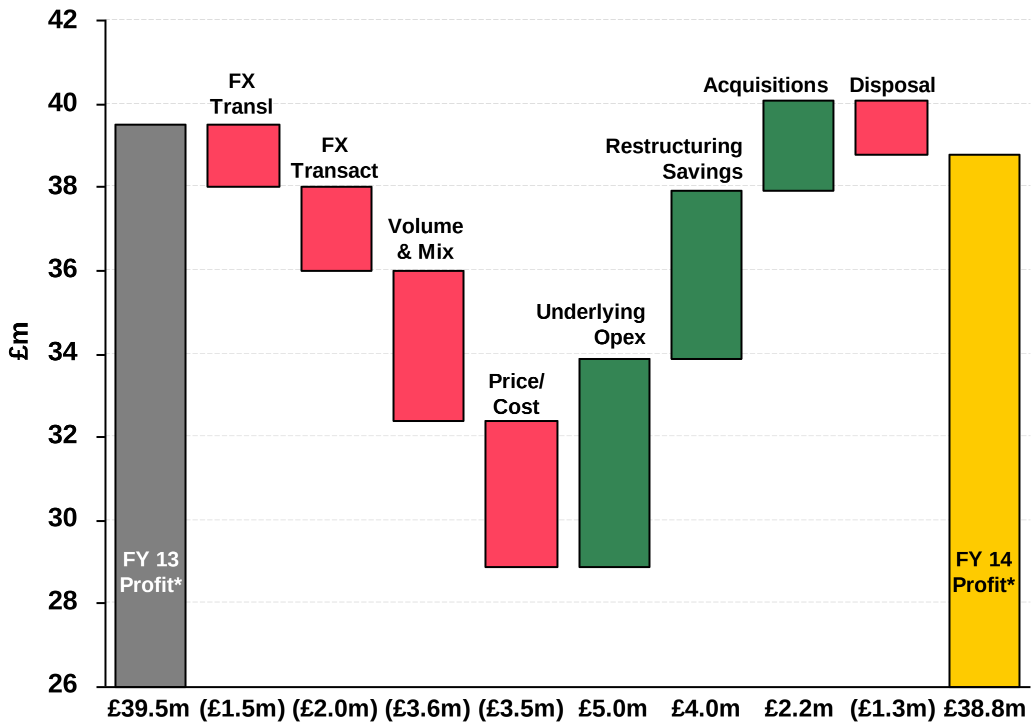
	Revenue			Operating Profit*			Operating Margin* %		
	2014 £m	2013 £m	Δ £m	2014 £m	2013 £m	Δ £m	2014 %	2013 %	Δ % pts
Broadcast Equipment	131.9	129.8	+2.1	18.8	17.9	+0.9	14.3%	13.8%	+0.5pts
Broadcast Services	39.2	31.1	+8.1	2.4	1.5	+0.9	6.1%	4.8%	+1.3pts
Broadcast	**171.1**	**160.9**	**+10.2**	**21.2**	**19.4**	**+1.8**	**12.4%**	**12.1%**	**+0.3pts**
*IMT ***	*7.6*	*13.3*	*-5.7*	*(1.3)*	-	*-1.3*	*(17.1)%*	-	*-17.1pts*
Photographic	**130.9**	**141.2**	**-10.3**	**18.9**	**20.1**	**-1.2**	**14.4%**	**14.2%**	**+0.2pts**
	309.6	**315.4**	**-5.8**	**38.8**	**39.5**	**-0.7**	**12.5%**	**12.5%**	**+0.0pts**

** Before restructuring costs and charges associated with acquired businesses; ** IMT disposed November 2014*

Broadcast
- > Broadcast activities now managed as one Division
- > Benefit from Sochi Winter Olympics, FIFA World Cup and Teradek
- > Growth in underlying rentals business

Photographic
- > Good tripod and accessories sales; new products selling well
- > Manfrotto branded bags gaining market share
- > Operating margin* maintained through tight cost management and restructuring benefits

Strong cost management and benefits from restructuring



> £3.5m adverse currency impact
> Product and sales mix unfavourable
> Targeted Broadcast promotions and higher commodity costs
> Operating expenditure closely controlled
> Year-on-year savings from successful restructuring
> Acquisitions continue to perform strongly

** Before restructuring costs and charges associated with acquired businesses.*

Good free cash flow

	2014 £m	2013 £m	Δ £m
Operating profit *	38.8	39.5	(0.7)
Depreciation (1)	16.1	14.3	1.8
Working capital	(6.9)	8.6	(15.5)
Restructuring costs	(3.2)	(7.9)	4.7
Other (2)	(2.8)	(2.1)	(0.7)
Cash generated from operations	**42.0**	**52.4**	**(10.4)**
Capital expenditure (3)	(22.2)	(22.7)	0.5
Proceeds from asset sales	5.2	3.8	1.4
Net interest and tax paid	(6.8)	(12.1)	5.3
Free cash flow	**18.2**	**21.4**	**(3.2)**

- Strong cash generation in H2 2014
- Operating profit* into operating cash conversion of 73%
- Working capital reflects timing and lower accruals:
  - Inventory days improved to 100 days (Dec 2013: 106 days)
  - Good receivables ageing maintained
- Net capital expenditure in line with expectations and includes proceeds from sale of Olympic assets

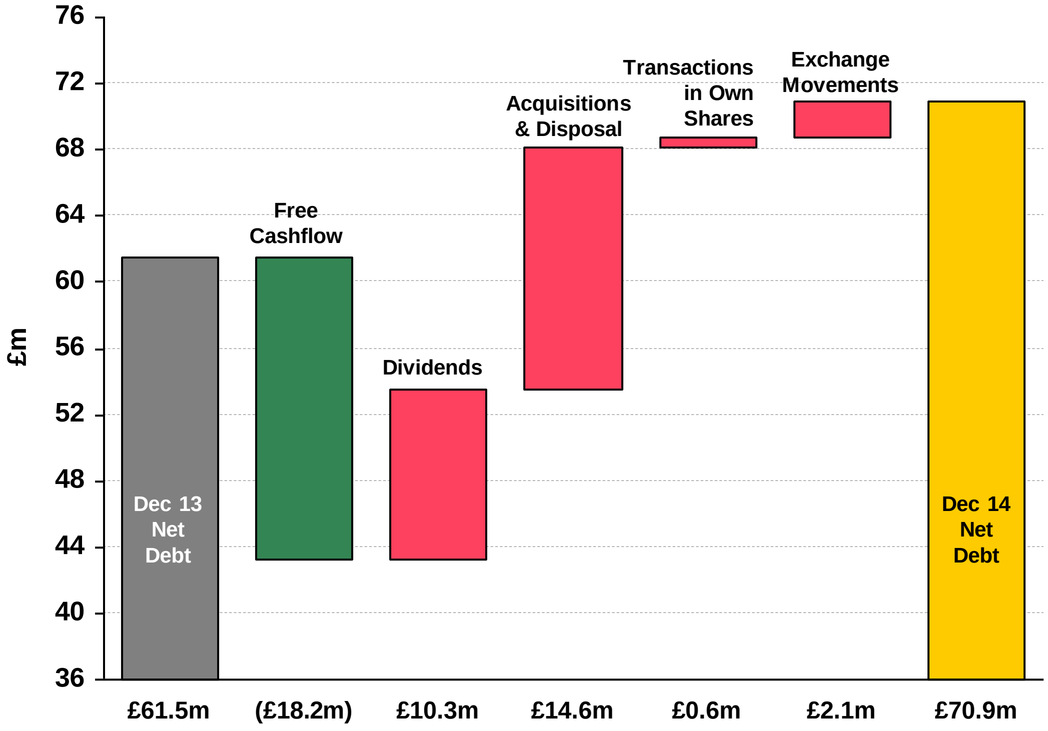
* *Before restructuring costs and charges associated with acquired businesses.*

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

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

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

Strong balance sheet



- Net debt of £70.9m in line with expectations
- £14.6m net outflow on acquisitions and disposal
  - £10.8m on 2014 acquisitions
  - £2.5m of earnouts on prior acquisitions
  - £1.3m on exit from IMT
- Net Debt to EBITDA ratio* of 1.2x (Dec 2013: 1.1x)
- Significant headroom with £132m of banking facilities

** Covenant basis*

Other financial points

- Forex
  - US Dollar has strengthened against Sterling; Euro has weakened
  - Anticipate adverse impact for 2015 at current rates after cash flow hedges
- Tax
  - Effective tax rate of 30% (2013: 31%); targeting 30% for 2015
- Factors affecting net debt
  - $8.0m (£5.1m) earnout to Teradek management following strong 2014 performance
  - £2.5m of anticipated further cash outflows in relation to IMT
- Other
  - £4.8m of acquired intangibles to be amortised in 2015, and similar level thereafter

Financial Review: Summary

> Full year results in line with our expectations

> Growth in revenue and profit at constant exchange rates

> Operating margin* maintained on lower revenue and after IMT trading loss

> Strong balance sheet

> Full year dividend increased by 4.3% to 24.0 pence per share

* *Before restructuring costs and charges associated with acquired businesses.*

Strategic & Operational Review

> **Stephen Bird**
> Group Chief Executive

Photo: Manfrotto BeFree colour range

Market Conditions

- Broadcast Division
  - Opportunities supporting larger sporting events
  - Variable demand reflecting timing of larger opportunities
  - Launching new products and services for independent content creators
  - Continue to strengthen product portfolio, including three acquisitions in 2014

- *Market expected to grow*
- *Holding share*

- Photographic Division
  - Continued slowdown of interchangeable lens cameras sales; installed base continues to grow
  - New product lines performing well e.g. BeFree & Gitzo Mountaineer tripods
  - Camera bags market particularly challenging, but Manfrotto range is gaining share

- *Market will stabilise*
- *Taking share*

Broadcast Division (excluding IMT)

Growth in revenue and operating profit*

	2014 £m	2013 £m	Δ %	Δ % at Constant FX
Revenue	171.1	160.9	6.3%	11.9%
Operating profit *	21.2	19.4	9.3%	16.6%
Operating margin % *	12.4%	12.1%	+30 bps	+60 bps

* *Before restructuring costs and charges associated with acquired businesses*

Broadcast

Photo: SmallHD monitor: AC7 OLED model

- Broadcast activities now managed as one Division
- Good performance in variable market
- Benefit from major sporting events and value-adding acquisitions
- Streamlining activities completed to plan
- Well positioned: global reach and premium products & services

Broadcast Equipment & Broadcast Services

Broadcast Equipment (excluding IMT)
Previously Videocom Division

	2014 £m	2013 £m	Δ %	Δ % at Constant FX
Revenue	131.9	129.8	1.6%	7.0%
Operating profit *	18.8	17.9	5.0%	12.3%
Operating margin % *	14.3%	13.8%	+50 bps	+70 bps

Broadcast Services
Previously Services Division

	2014 £m	2013 £m	Δ %	Δ % at Constant FX
Revenue	39.2	31.1	26.0%	32.9%
Operating profit *	2.4	1.5	60.0%	71.4%
Operating margin % *	6.1%	4.8%	+130 bps	+140 bps

* *Before restructuring costs and charges associated with acquired businesses*

- Performing well including benefit from Sochi Olympics and Teradek
- Benefit of restructuring and maintained tight control over costs
- Driving product development to grow sales

- Growth in underlying rentals business in addition to Olympics and FIFA World Cup
- Focus on events where higher levels of service are required
- Continued to improve asset utilisation and control cost base

Photographic

Good performance in a challenging market

	2014 £m	2013 £m	Δ %	Δ % at Constant FX
Revenue	130.9	141.2	(7.3%)	(2.1%)
Operating profit *	18.9	20.1	(6.0%)	4.8%
Operating margin % *	14.4%	14.2%	+20 bps	+100 bps

* *Before restructuring costs and charges associated with acquired businesses.*

Photographic

Photo: Manfrotto Off Road series tripod

- Constant currency growth in operating profit* and operating margin*
- Tripod and accessories sales outperforming market
- New products performing well
- Manfrotto Bags launched globally and gaining share
- Benefit of 2013 streamlining activities and strong cost control
- Bags overseas facility to be closed and fully integrated into the Photographic business

Acquisitions continue to perform strongly

VITEC GROUP Capture the moment™

Acquisition
Disposal

2010 2011 2012 2013 2014

April 2010 Clear-Com
March 2011 Lastolite
December 2011 Haigh-Farr
April 2012 Camera Corps
August 2012 Staging
August 2013 Teradek
March 2014 SIS
October 2014 Autocue
November 2014 IMT
December 2014 SmallHD

SIS

Autocue

SmallHD

> Three acquisitions in 2014 to strengthen our Broadcast business

> Over the last four years Vitec has invested £61.2m in seven earnings-enhancing acquisitions. These have delivered a 14% return after funding costs*

> Vitec is a focused Group, having also disposed of non-core businesses

> We will continue to make appropriate value-adding acquisitions

** Cumulative performance excluding investment in Autocue and SmallHD, acquired in Q4 2014*

Summary and Outlook

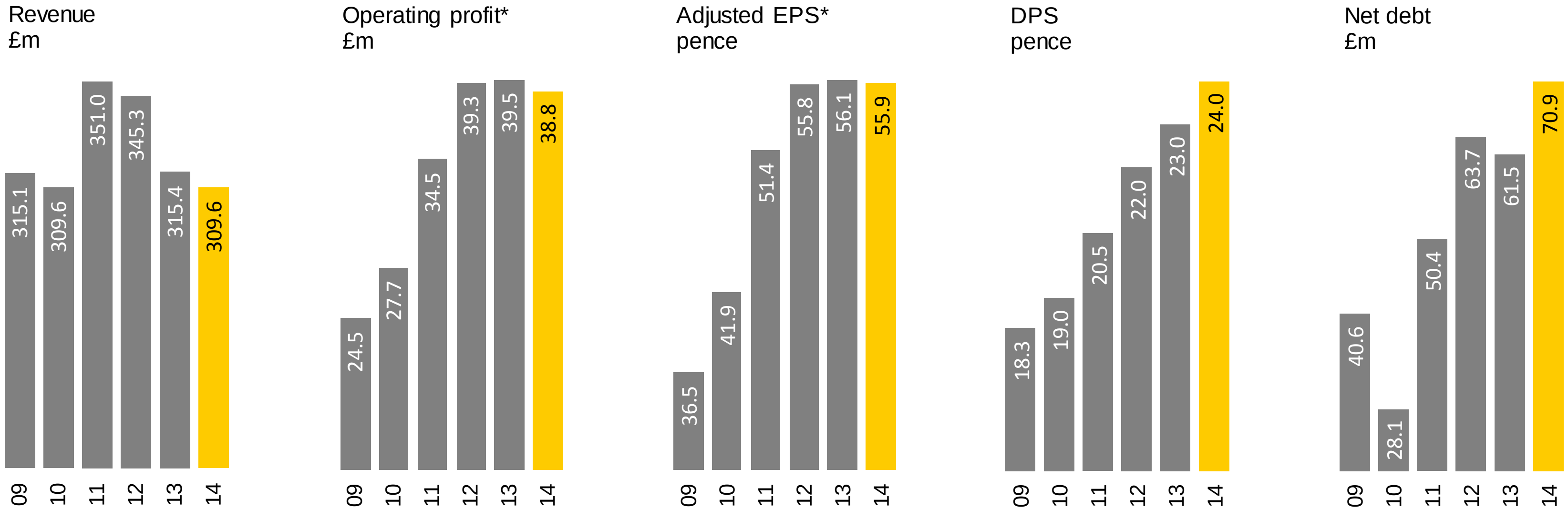
- Growth in revenue and profit at constant exchange rates
- Good margin performance in both Divisions
- Group focused on core Broadcast and Photographic activities
- Value-adding acquisitions which enhance product and service offerings
- Whilst some markets remain challenging, we are well positioned to benefit from any upturn

Questions

Appendices

Photo: Camera Corps Q-Ball 3

Key financial measures – Full year



* Before restructuring costs and charges associated with acquired businesses in 2014, 2013, 2012 and 2011; and before significant items in 2010 and 2009. Adjusted earnings per share is also before disposal of business.

Vitec at a glance

Broadcast

Premium Broadcast Equipment	*Supports, LED Lighting, Mobile Power, Prompters, Robotic Camera Systems, Wireless Transmission Equipment, On-Camera Monitors*		**FY 2014‡**
Broadcast Production Services	*High Quality Equipment Rentals and Technical Support, Fibre Solutions, System Design, Integration and Installation*	**Revenue**	**£171.1m**
		Operating Profit*	**£21.2m**
		Operating Margin* %	**12.4%**

Photographic

**

Premium Photographic Equipment	*Supports, Bags, LED Lighting & Lighting Accessories*		**FY 2014**
		Revenue	**£130.9m**
		Operating Profit*	**£18.9m**
		Operating Margin* %	**14.4%**

* Before restructuring costs and charges associated with acquired businesses ** Manufactured and distributed under licence ‡ Excluding IMT

Geographic reach

- Wide geographic spread
- Sites in 12 countries; sell into 100+ countries
- Sales: UK accounts for only 9% of revenue

Destination	% of revenue		
	FY 2014	*FY 2013*	*FY 2012*
UK	9	8	10
Rest of Europe	22	23	23
North America	46	45	45
Asia Pacific	17	18	17
RoW	6	6	5

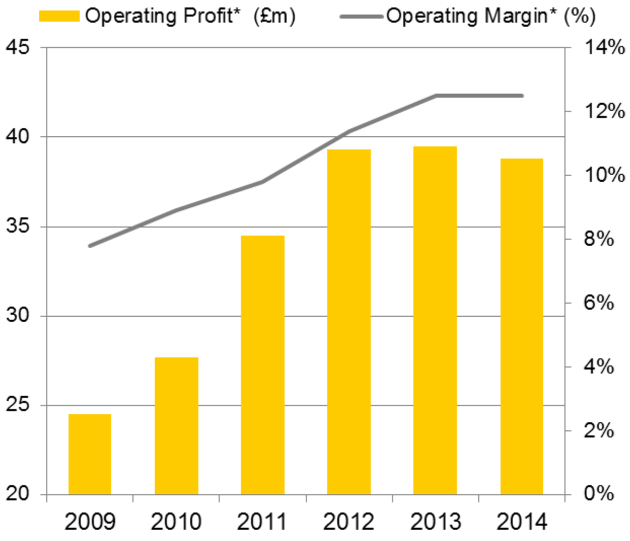
A clear strategy to drive shareholder value

Growth Strategy	▸ Leading branded products ▸ Strong customer relationships ▸ Global reach ▸ Markets with long-term growth
Enhancing Margins	▸ Clearly defined sales initiatives and opportunities ▸ Potential to improve margins to reflect premium brands ▸ Proactive management of cost base
Corporate Development	▸ Track record in acquiring and integrating businesses ▸ Acquisitions into adjacent markets & technologies ▸ Exit from non-core businesses
Strong Cash Flow	▸ Disciplined working capital management ▸ Focus on cash generation ▸ Progressive dividend policy

Established track record in improving Group margins

> Targeting the medium-term improvement in Group margins through:
  > The benefit of maturing sales initiatives delivering longer-term margin growth
  > Control over operating expenditure
  > Shift to lower cost manufacturing
  > Benefit from higher margin acquisitions

	FY 2009 £m	FY 2010 £m	FY 2011 £m	FY 2012 £m	FY 2013 £m	FY 2014 £m
Revenue	315.1	309.6	351.0	345.3	315.4	309.6
Operating profit*	24.5	27.7	34.5	39.3	39.5	38.8
Operating margin*	7.8%	8.9%	9.8%	11.4%	12.5%	12.5%



Before restructuring costs and charges associated with acquired businesses in 2011 - 2014; and before significant items in 2009 and 2010.

Working capital overview

VITEC GROUP Capture the moment™

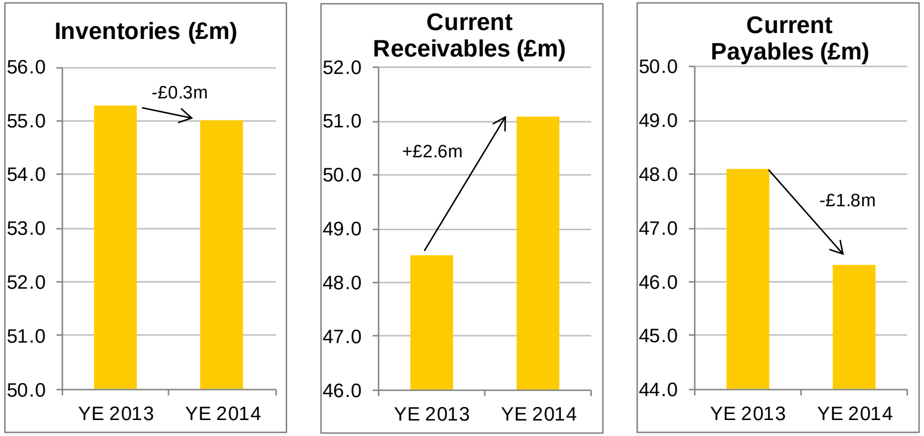
Movement in Working Capital *

	FY 2014 £m	FY 2013 £m	Δ £m
Decrease / (increase) in inventories	(2.1)	4.0	(6.1)
Decrease / (increase) in receivables	(2.7)	1.8	(4.5)
(Decrease) / increase in payables	(2.1)	2.8	(4.9)
Total	**(6.9)**	**8.6**	**(15.5)**

Gross Trade Receivables - Days Overdue**

	YE 2014		YE 2013		Δ
	£m	%	£m	%	£m
Current	31.2	*78%*	30.2	*77%*	+1.0
1-30 Days	5.7	*14%*	5.8	*15%*	-0.1
31-60 Days	1.4	*4%*	1.2	*3%*	+0.2
> 60 days	1.7	*4%*	1.8	*5%*	-0.1
Total	**40.0**		**39.0**		**+1.0**

Balance Sheet



Working Capital Days	2014‡	2013
Inventory Days	100	106
Trade Receivable Days	41	39
Trade Payable Days	49	49

‡ Excludes IMT

** Before restructuring costs*
*** Days overdue are measured from date an invoice was due to be paid.*

Borrowings

- Revolving credit loan facility of £100m negotiated in July 2012
  - Committed until July 2017 with 5 relationship banks
  - Margin at 187 bps over LIBOR
  - Significant covenant headroom
  - Average income statement charge of borrowing 4.3% of utilised facility
- Private Placement shelf facility established in 2011
  - $50m drawn down at Dec 2014 (Dec 2013: $50m)
  - Blended interest rate of 4.77%
- Dec 2014 Net Debt of £70.9m (Dec 2013: £61.5m)
  - Net Debt to EBITDA ratio* of 1.2x (Dec 2013: 1.1x)

** Covenant basis*

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

	2014 £m	2013 £m	Δ £m
Profit before tax*	35.3	35.6	(0.3)
Restructuring costs [1]	(2.7)	(11.4)	8.7
Charges associated with acquired businesses:			
Fair value adjustment to contingent consideration since date of acquisition [2]	(4.2)	(0.8)	(3.4)
Transaction costs relating to acquisitions [3]	(0.9)	(0.4)	(0.5)
Amortisation of acquired intangibles	(3.4)	(2.6)	(0.8)
Loss on disposal of business [4]	(4.0)	-	(4.0)
Profit before tax	**20.1**	**20.4**	**(0.3)**

	2014 £m	2013 £m	Δ £m
Profit after tax*	24.7	24.6	0.1
Restructuring costs and charges associated with acquired businesses	(11.2)	(15.2)	4.0
Disposal of business	(4.0)	-	(4.0)
Tax on restructuring costs, charges associated with acquired businesses and disposal of business	3.5	4.6	(1.1)
Profit after tax	**13.0**	**14.0**	**(1.0)**
Weighted average number of shares ('000)	44,190	43,869	
Adjusted EPS * (pence)	55.9	56.1	(0.2)
Basic EPS (pence)	**29.4**	**31.9**	**(2.5)**

** Before restructuring costs, charges associated with acquired businesses and disposal of business. Adjusted earnings per share is also before disposal of IMT.*

(1) Restructuring costs in FY14 of £2.7m primarily relate to the Group streamlining certain operations by downsizing selected activities mainly in the US and Israel.

(2) A charge of £4.2 million ($7.0 million) has been recorded in respect of contingent consideration at Teradek, a prior period acquisition.

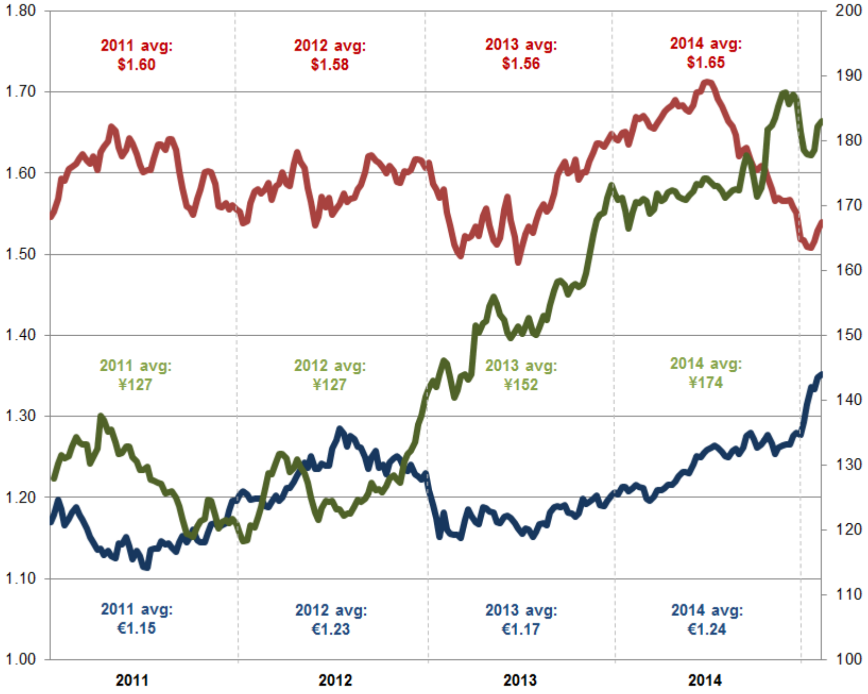
(3) Transaction costs of £0.9 million (SIS: £0.1 million, Autocue: £0.6 million, SmallHD: £0.2 million) were incurred in relation to acquisitions in the year.

(4) Loss on disposal of IMT, after taking into account impairment and exit costs together with the net assets disposed (£9.5 million) offset by cash consideration (£0.3 million) and the previously recorded foreign exchange gain that has been recycled to the Income Statement (£5.2 million).

Foreign exchange update

Year on year effect on operating profit	£/$	€/$	£/€	Translation £m	Transaction £m	Total £m
Average FY03	1.63	1.13	1.45	1.2	(2.3)	(1.1)
Average FY04	1.82	1.24	1.47	(0.9)	(3.9)	(4.8)
Average FY05	1.82	1.24	1.46	0.1	(1.0)	(0.9)
Average FY06	1.84	1.25	1.47	(0.2)	(0.5)	(0.7)
Average FY07	2.00	1.37	1.47	(1.3)	(2.4)	(3.7)
Average FY08	1.85	1.46	1.26	3.8	(1.7)	2.1
Average FY09	1.56	1.40	1.12	6.6	3.9	10.5
Average FY10	1.55	1.33	1.17	(0.3)	2.0	1.7
Average FY11	1.60	1.39	1.15	(0.3)	0.8	0.5
Average FY12	1.58	1.29	1.23	(0.5)	0.1	(0.4)
Average FY13	1.56	1.33	1.17	0.7	(0.2)	0.5
Average FY14	1.65	1.33	1.24	(2.0)	(1.5)	(3.5)

Negatives indicate an adverse effect

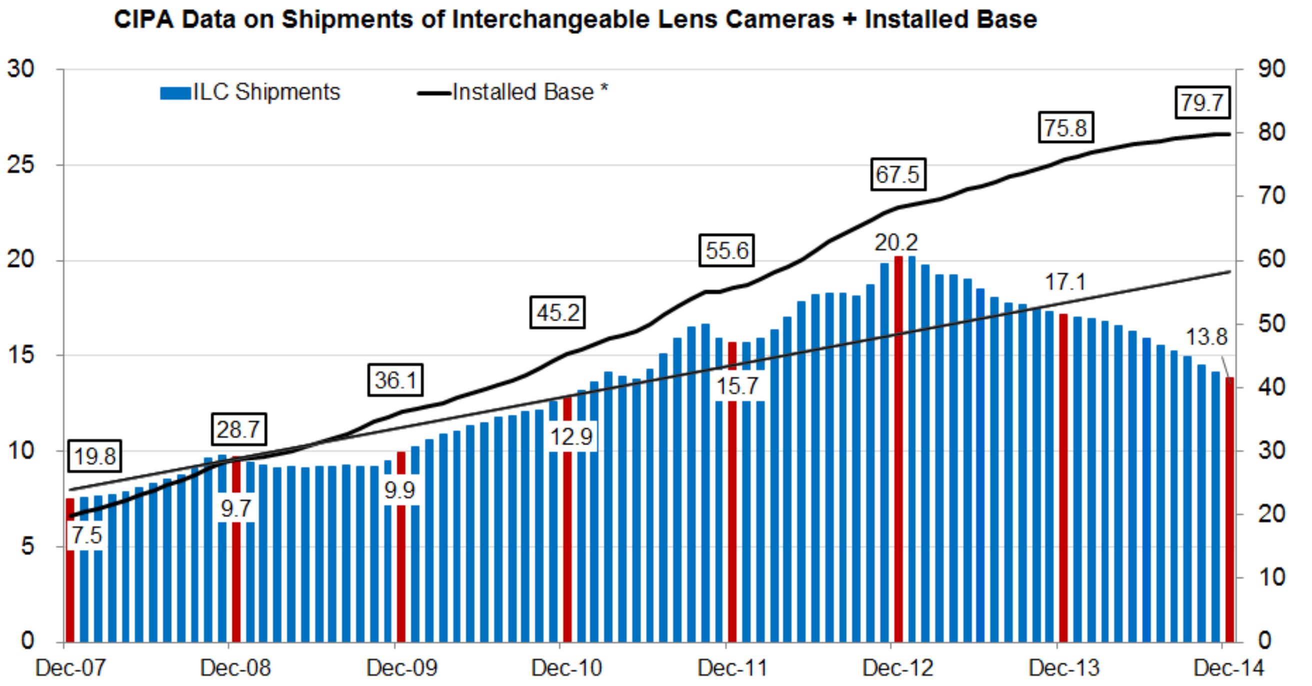


Spot * £1 = $1.55 £1 = €1.36 £1 = Yen184

** As at 23 February 2015*

Shipments of Interchangeable Lens Cameras

Shipments of interchangeable lens cameras (moving 12 month totals) and growth in installed base *
(millions of units)



** Management estimate, assuming 5 year replacement cycle*

Source: CIPA

Broadcast products

* *Clockwise from top left:* ***Vinten:*** *Vector 750i, Quattro L;* ***Vinten Radamec:*** *CP4, HDVRC, Fusion FP-188;* ***Litepanels:*** *1x1, Inca 9, Sola 9;* ***Camera Corps:*** *Q-Ball 3;* ***Autoscript:*** *E.P.I.C. Prompter;* ***SmallHD:*** *DP7 Pro monitor.*

Broadcast products

** Clockwise from left: **OConnor:** 25L Carbon fiber tripod; **Sachtler:** Video 25 Plus Fluid Head, Ace L TT 75/2 CF; **Bexel:** providing support at the Superbowl; **Autocue:** PSP17 teleprompter; **Teradek:** Bolt Pro 300, Cube; **Anton/Bauer:** G90 & V90 Digital Batteries, Performance QUAD charger, CINE VCLX battery.*

Broadcast – New Products

VITEC GROUP Capture the moment™

CAMERA CORPS

Litepanels

sachtler

Vinten RADAMEC BROADCAST ROBOTICS

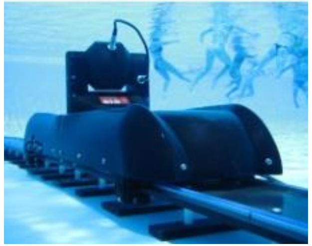
ANTON BAUER

TERADEK

* *Clockwise from top left:* ***Camera Corps:*** *Q-Ball 3;* ***Litepanels:*** *ASTRA 1x1 Bi-Color;* ***Sachtler:*** *Ace Shoulder Rig;* ***Vinten Radamec:*** *Fusion Robotic Pedestal 210+;* ***Teradek:*** *Bolt Pro series;* ***Anton/Bauer:*** *Digital Battery Family.*

Recent acquisitions – SIS, Autocue & SmallHD

VITEC GROUP Capture the moment™



SmallHD.com

Autocue

* Left: **SIS:** stump cam (top); Halibut Underwater HD tracking camera (below left); Meercat miniature HD broadcast camera (below right); Centre: **Autocue:** portable iPad teleprompter (left) and PSP17 teleprompter for professional studio (right); Right: **SmallHD:** DP7-PRO LCD high resolution field monitor.

Photographic products

VITEC GROUP
Capture the moment™

** Clockwise from top left: **Manfrotto:** 190X Pro tripod and fluid head; 3 way head; Compact Action Series Tripod; Pro Bags; PIXI; **Sympla:** rig; **Avenger:** Wind up stand; **Lastolite:** Ezybox, Trigrip; **Gitzo:** Center ball head; Systematic tripod.*

Photographic – New Products

VITEC GROUP Capture the moment™

Manfrotto Imagine More

** Clockwise from left: **<u>Gitzo</u>** Mountaineer tripod; **<u>Manfrotto</u>** XPRO 3 geared head; **<u>Manfrotto</u>** BeFree Colour; KLYP +6 for Iphone 6; **<u>Manfrotto</u>** BeFree Carbon; **<u>Manfrotto</u>** Off Road range (bag, monopod walking sticks, tripod); **<u>Manfrotto</u>** Compact range (monopods and tripods)*

VITEC GROUP
Capture the moment™