



The Imaging Solutions Division designs, manufactures and distributes premium branded equipment for photographic and video cameras and smartphones, and provides dedicated solutions to professional and non-professional image makers and independent content creators. This consists of camera supports and heads, camera bags, lighting supports, LED lights, lighting controls, motion control and lens filters, marketed under the most recognised accessories brands in the industry.

**Addressable market**

We estimate that the addressable market for products manufactured by Vitec's Imaging Solutions Division is worth around £900 million annually. Professional photographers account for approximately 70% of this market and independent content creators and consumers make up the remainder. There is growing adoption of new image capturing devices by professionals and advanced consumers as the distribution of images via social media continues to grow rapidly.

Vitec is focusing on the opportunity to develop and commercialise innovative, high-end accessories for these new applications. We sell our products globally via multiple distribution channels as well as online via our own direct e-commerce capability and third party platforms.

**Market position**

Vitec has leading premier brands in camera supports, heads, LED lights, filters and bags for the professional and enthusiast photographer and videographer.

Product category	Supports	Bags	Lighting & controls	Motion control
Brand	Avenger, JOBY, Gitzo, Manfrotto	Lowepro, Manfrotto, National Geographic <sup>#</sup>	Colorama, Lastolite by Manfrotto	Syrp
Market position <sup>†</sup>	1	1	2	New

# Manufactured under licence  
 † Management estimates by sales value in the market segments in which these products are sold

**Our brands**

- Avenger
- Colorama
- Gitzo
- JOBY
- Lastolite by Manfrotto
- Lowepro
- Manfrotto
- Syrp

**Target audience**



Image: Philip Thurston

Revenue

£201.6m

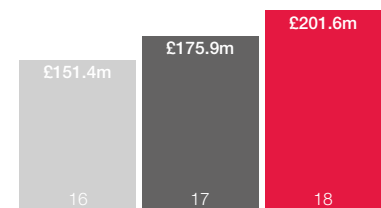
↑ Up 14.6%

Adjusted operating profit\*

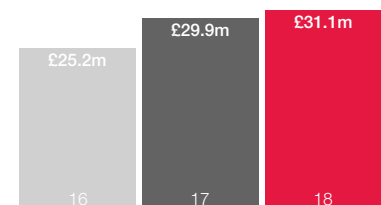
£31.1m

↑ Up 4.0%

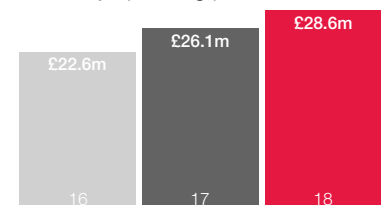
Revenue



Adjusted operating profit



Statutory operating profit





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We are passionate about enabling new creative possibilities to shoot still and video content, whether on an interchangeable lens camera or a smartphone. Our leading brands enjoy a vibrant community of over five million people globally and in 2018 we launched an extensive range of new products at Photokina. In 2019, growth will come from channel and manufacturing digitalisation, vlogging and dynamic content production for social media.

**Marco Pezzana**

Divisional Chief Executive,  
Vitec Imaging Solutions

## Operational review

Imaging Solutions revenue grew by 14.6% to £201.6 million and increased by 15.8% at constant exchange rates. This included a full year of sales of JOBY and Lowepro products, as well as the benefit to revenue of our own distribution in Australia following the acquisition of Adeal. The underlying business delivered a solid performance on the back of challenging market conditions, including taking market share in Europe, the US and China for our core photographic supports. Adjusted operating profit\* grew by 7.0% at constant exchange rates and was in line with the prior year after excluding the year-on-year incremental impact of acquisitions.

After seeing stabilisation in the shipments of interchangeable lens cameras (ILCs) in Q2 based on data from Camera & Imaging Products Association (CIPA), ILC shipments in H2 were softer than in the prior year. This coincided with the delayed launch of highly anticipated premium mirrorless cameras from Canon and Nikon. The Division's sales performed ahead of CIPA trends which showed a 7.8% reduction in full year ILC shipments compared to the prior year.

The JOBY and Lowepro brands have been fully integrated and profitability was in line with expectations, including delivering the anticipated cost synergies. New products launched include the JOBY GripTight PRO TelePod, which is designed for smartphonographers and is listed in Apple stores, and the Lowepro Freeline range for photographers and videographers. The success of these products is consistent with the growing importance of independent content creators for the Division. We also developed a profitable partnership with Sony, launching dedicated Manfrotto and Gitzo accessories for Sony Alpha which performed ahead of expectations.

Approximately one third of Imaging Solutions' revenue is now generated by direct and indirect e-commerce. As consumers move away from buying in speciality stores to buying online, we are focusing on that channel. We developed our e-commerce platform further, driving growth in direct ecommerce sales. We accelerated our digital strategy during the year, upgrading and integrating our brand web stores and social media campaigns to further grow digital revenue. The Division had a particularly strong Black Friday, more than doubling sales year-on-year, while full year sales through Amazon grew 4%.

The Division achieved more than its targeted 3% manufacturing efficiency savings, reflecting our ongoing focus on operational excellence. In addition, a range of process improvements at our UK manufacturing facility in Ashby-de-la-Zouch, contributed to growth in sales of lighting controls and backgrounds.

Adjusted operating profit\* margin decreased by 1.6% pts to 15.4%. This reflects the impact of the JOBY and Lowepro acquisition as expected, where products have a slightly lower margin in line with comparable products in the rest of the Division. After excluding the impact of acquisitions and foreign exchange, adjusted operating margin\* increased by 0.5% pts.

Statutory operating profit increased by 9.6% to £28.6 million.

Image: Dave Krugman



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With the Manfrotto Befree Advanced, I've a lightweight, intuitive, stable tripod system that enables my creativity every day. As I wander through the winding streets of my favourite city, I know in seconds I can be set up and able to shoot.

**Dave Krugman**

Manfrotto Global Ambassador and Sony Alpha collective



## M&A:

**JOBY®**

### Integration of the JOBY and Lowepro acquisition

**lowepro®**

The integration of this transformational 2017 acquisition completed towards the end of 2018. Both brands performed strongly during 2018 and have returned to month-on-month market share growth since acquisition. We launched an extensive range of new JOBY and Lowepro products at Photokina 2018 which were well received by the trade and became our bestselling SKUs during Black Friday and the Christmas season.



## Organic growth:

### New range of Befree tripods to meet the growing demand for mirrorless cameras

In 2018, Vitec significantly expanded its range of traveller tripod models to better serve the growing Compact System Cameras ("CSC") market segment. Marketing demand for premium CSCs is increasing, fuelled by the Sony Alpha 7 and Alpha 9, and the introduction of the new flagship full frame mirrorless Nikon Z7 and Canon EOS R.

Professional photographers and advanced hobbyists are switching to smaller camera formats, which are known for uncompromising picture quality and versatility. Befree is a cutting edge range of 14 lightweight aluminium and carbon products fully designed, engineered and manufactured in Italy. This includes Manfrotto and Gitzo versions specifically designed for Sony Alpha cameras, as a result of our global partnership.

## Digital strategy:

### Further acceleration in digital transformation

Approximately one-third of Vitec Imaging Solutions' revenue was generated by e-tailers' websites, marketplaces and direct e-commerce sites in 2018, up from 25% in 2017.

As a result, we accelerated our digital strategy during the year, upgrading and integrating our brand web stores and marketing campaigns to continuously improve the customers' omnichannel and brand experience, and further grow digital revenue.

Our social media and advertising strategy generated over eleven million unique visitors to our direct websites, resulting in over 15% traffic increase. Black Friday week drove a fourfold increase in revenue on 2017 as a result of the implementation of our digital marketing strategies combined with the consolidation of the Amazon channel across the Division.

## M&A:

**adeal**

### Adeal acquisition enhances growth in APAC

Vitec acquired Adeal, our Imaging Solutions Division Australian distribution partner in March 2018, in line with its strategy to expand in APAC and get closer to customers. Owning more of our own distribution channel has enabled us to grow sales in the region, consolidate margin, improve market knowledge and gain full control of channel management. Adeal is now fully integrated into our Imaging Solutions Division, with all brands consolidated under one national distributor.

