

16 December 2024

Videndum plc
Pre-Close Trading Update

Videndum plc ("the Company" or "the Group"), the international provider of premium branded hardware products and software solutions to the content creation market, issues the following pre-close trading update for the year ending 31 December 2024.

Market update

The recovery in our markets continues to be slower than expected, but we are seeing some signs of gradual improvement, which we believe will benefit trading in H1 FY25.

Operational Actions

We are prioritising actions within our control, focusing on our operational efficiency programme to drive performance and cost saving. This programme is centred on four key areas:

1. reinstating pricing discipline;
2. improving operational efficiency;
3. driving gross margin expansion; and
4. reducing discretionary spend

As part of this initiative, we are simplifying our organisational structure, moving from three Divisions to two: Videndum Production and Imaging ("VPI") focusing on our broadcast and imaging segments, and Videndum Creative Solutions ("VCS") serving the cine and audio markets.

Earlier this year we announced a £10 million strategic cost-saving programme. So far, we are 80% through implementation and expect to realise the full amount of savings in FY25. There will be minimal savings realised in FY24. The Group continues to evaluate further cost saving opportunities.

Expected Outturn for FY24

Revenue is expected to be c.£280 million;

An exceptional charge of c.£25 million is anticipated against Adjusted Continuing Operating Profit. Before this non-cash write-off of predominately stock and intangibles, together with reclassification of previously discontinued operations, the Group is expected to break-even;

Adjusting items will include a charge of c.£10 million for cash restructuring costs related to announced initiatives, of which c.£3 million will be paid in FY24 and the balance in FY25; and

Net debt is expected to be c.£135 million including c.£30 million of lease liabilities.

Update on December covenant

Our lending banks remain supportive of the business and have amended our December 2024 covenants to an interest cover of no less than 1.25 times EBITA and leverage to no more than 5.5 times EBITDA. The end of March 2025 covenant thresholds will also now apply to the end of February 2025.

Our Revolving Credit Facility is set to expire in August 2026. We are actively working with our lending banks to secure an extension or a refinancing during H1 2025, in addition to addressing necessary amendments to the February and March 2025 covenants. An update will be provided in Q1 2025.

Stephen Harris, Executive Chairman commented:

"Since assuming my expanded role, I have seen significant opportunities within the business. However, it has to be recognised that there are areas where management processes, cost discipline, and contractual and commercial acumen require strengthening. These challenges were exacerbated in some areas by challenging market conditions. The new management team has identified the issues and is addressing them at pace.

"We fully anticipate market conditions to improve, and we are seeing some signs of gradual improvement which we believe will benefit trading in H1 FY25. In the meantime, we are focusing on what we can control - expanding our operational efficiency programme and adopting a relentless focus on cost.

"Videndum has strong market positions and remains well positioned in attractive markets with good medium-term prospects. This management team is committed to creating long-term value for our stakeholders."

Enquiries

FTI Consulting

Susanne Yule/ Richard Mountain

Telephone: 020 3272 1340

Videndum

Stephen Harris
Group Executive Chairman
Telephone: 020 8332 4602

A snapshot of Videndum plc

Videndum is a leading global provider of premium branded hardware products and software solutions to the growing content creation market.

Videndum's customers include broadcasters, film studios, production and rental companies, photographers, independent content creators, gamers, professional musicians and enterprises. Our product portfolio includes camera supports, video transmission systems and monitors, live streaming solutions, smartphone accessories, robotic camera systems, prompters, LED lighting, mobile power, carrying solutions, backgrounds, motion control, audio capture, and noise reduction equipment.

We employ around 1,600 people across the world in 10 different countries. Videndum plc is listed on the London Stock Exchange, ticker: VID.

More information can be found at: <https://videndum.com/>

LEI number: 2138007H5DQ4X8YOCF14

This announcement contains inside information. The person responsible for arranging the release of this announcement on behalf of Videndum plc is Jon Bolton, Group Company Secretary.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTKZMMZDKKGDZM