



ZOO Digital Group plc
2019-2020

ZOO Digital Group plc AGM 2020

23 September 2020

ZOO is trusted by the biggest names in global media and entertainment

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2019-2020



ZOO's USP:

Cloud-based media localisation technology

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ZOOsubs

Subtitling production and management



ZOOdubs

Dubbing production and management

ZOOscripts

Original language script production and management

ZOOcore

Workflow management



ZOOstudio

Localisation operations management

Streaming Video on Demand Market

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Platform-first services

NETFLIX

prime video


hulu

Direct-to-Consumer services

 tv+

+

 max

peacock 

Paramount+

Growth – Four Strategic Pillars

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INNOVATE

Create value-adding software technology

SCALE

Operate a freelance network

COLLABORATE

Work with like-minded, world-class experts in media localisation, education and research

PARTNER

Secure preferred partner status with leading buyers

INNOVATE – Create value-adding software technology

Deliver a significant competitive advantage by making localisation and digital distribution services more efficient, scalable and collaborative while ensuring consistently high quality to meet the needs of major clients



Progress

- Added Audio Description features to ZOOdubs – expanding these services
- Delivered API for ZOOstudio; enhancements strengthen use by key client
- Support for pivot languages in ZOOscripts
- Enhanced personalised watermarking of video across all systems

SCALE – Operate a freelance network

For creative and skilled roles, identify, recruit, train and retain freelance workers for a cost-efficient scalable resource across all languages



Progress

- Cleared pool of those with insufficient availability
- Continued to add freelancers primarily across 15 popular languages
- Current active pool stands at approximately 7,200 individuals

COLLABORATE – Work with like-minded, world-class experts in media localisation, education and research

Appoint qualified partners and provide access to ZOO software to establish a presence for ZOO in key countries, particularly emerging markets



Progress

- Worked with ZOO-Enabled Dubbing Studios to fulfil projects across 15 languages
- Continued research collaboration to apply machine learning for further innovation of the dubbing process
- Initiated new research collaboration on machine translation for dialogue

Growth Strategy and Progress 4

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PARTNER – secure preferred partner status with leading buyers

Work with the leading global buyers of subtitling, dubbing and distribution services in order to secure ZOO as a preferred partner

Progress

- Selected as primary End-to-End partner for major OTT operator
- ZOOstudio in daily use by a major OTT operator
- Provided localization services to all major Hollywood studios and all major global OTT services
- Operating as a primary Netflix Preferred Fulfilment Partner for two major studios
- Operating as a preferred partner for a leading social media platform



Key Performance Indicators

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Financial KPIs

- Revenue up 3% to \$29.8 million (FY19: \$28.8 million)
- EBITDA margin* improved by 5.8 points to 7.2% (FY19: 1.4%)
- Opex as a % of revenue improved by 1 point to 36% (FY19: 37%)

Operational KPIs

- Number of freelancers[†] up 10% to 7,184 (FY19: 6,556)
- Retained Sales[‡] improved by 9 points to 97% (FY19: 88%)

* Adjusted for share-based payments; stated FY20 figure reflects reclassification of operating leases as prescribed by IFRS 16

† The number of active freelance workers in ZOO's systems who are engaged directly

‡ Proportion of client revenues retained from one year to the next

COVID-19 ZOO impact

- ZOO well placed to benefit from wider market acceptance
- Seamless transition to working from home
- Temporary softening of sales in February/March as customers moved to WFH
- Increased interest in ZOOdubs; Q1 dubbing projects up 3x over prior year
- Orders related to new titles declined
- Increased focus on back-catalogue titles
- Absence of a new title pipeline has knock-on effect on demand for dubbing

COVID-19

Industry impact

- New feature and TV productions halted
 - Curtailed orders for originals
 - Customer focus has switched to back catalogue
 - Situation expected to continue into calendar 2021
- Traditional dubbing vendors significantly impacted
 - Closed during lockdown
 - Constrained due to social distancing, travel restrictions, etc.
 - Primarily dependent on orders for new titles
- Large competitors beginning to offer 'remote dubbing'
 - Strengthens credibility of off-premise voice recording
 - ZOO well placed to benefit from wider market acceptance

COVID-19

Hollywood 'pandemic' agreement

- Agreement announced Monday by multiple Hollywood unions
- Includes comprehensive and mandatory use of PPE
- Testing of crew members and cast
- Dedicated coronavirus supervisors
- Requires 'zone system' to limit interactions between people on set
- It is hoped this will allow resumption of TV production and feature films

Trading update

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- Adapted seamlessly to needs of customers
- Expect double-digit revenue growth in H1
 - Against backdrop of suspended new productions
 - Strong endorsement of business model
- Won new dubbing clients due to our ZOOdubs platform
- Significant H1 growth year-on-year in dubbing
- Suspension of production affected rate of growth on subtitling and dubbing
- Substantial growth of E2E services expected in the long-term
- Digital packaging growing strongly
 - Supporting clients to repurpose back-catalogue content
 - Q3 orders significantly ahead
- ZOO's E2E proposition places us well for growth

Investment Summary

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Strategy

Technology-first approach to media localisation

Scalability

Cloud-based, agile, scales through partners and freelancers

Growth

Large expanding international market still in its infancy

Culture

Steeped in the industry with long track record

ZOOdubs ‘behind the scenes’

A large rectangular area with a green hatched background, containing the text 'Q & A'.

Q & A

Management Team

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Gillian Wilmot
Chairman

Since July 2019

Extensive board level leadership in private and public environments with industry experience across B2B, technology, advertising and communications. Strengths in value creation, operational insight and corporate governance.



Mickey Kalifa
Non-Executive

Since 2017

Chartered accountant and finance professional with nearly 30 years' experience across technology, media and gaming sectors. Formerly CFO Sportech plc.



Stuart Green
CEO

Co-founder; CEO since 2006

Over 30 years experience of executive management in the software industry. PhD in Computer Science. Co-founded and sold three software companies. 19 years AIM board director.



Phill Blundell
CFO

Since July 2018

Senior finance professional and Chartered Accountant with over 20 years experience in software industry including CFO roles with DotDigital Group plc, Eagle Eye Solutions Group plc and Intelligent Environments plc.



Gordon Doran
CCO

Joined 2005;
Commercial Director since 2009

Career in commercial roles with technology businesses in UK and USA. Almost 30 years experience leading sales and marketing teams. Based on West Coast USA..

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