



# **ZOO Digital Group plc**

**Investor Briefing  
September 2018**

# Agenda

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- Results for the year to March 2018
- Business overview, market context and update
- R&D strategy and approach
- Demonstration
- Q&A

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# **Business Overview, Market Context & Update**

Stuart Green, CEO

# Cloud-powered subtitling, dubbing and distribution for the global TV and movie industry



# Key Performance Indicators

## Financial KPIs

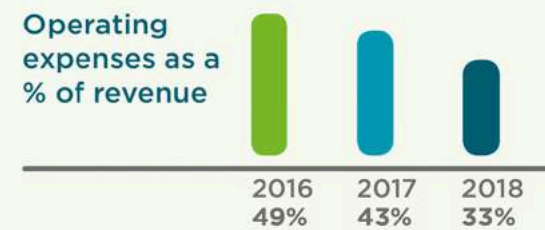
Revenue  
\$'million



EBITDA margin\*

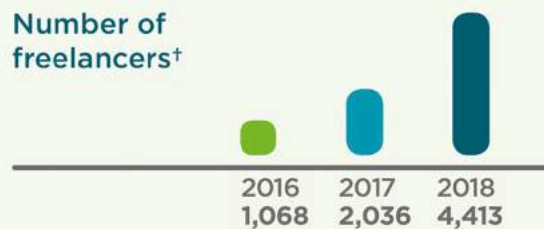


Operating  
expenses as a  
% of revenue



## Operational KPIs

Number of  
freelancers†



Retained  
sales‡



# Strategy

## 1. Innovate



## 2. Scale



## 3. Affiliates



## 4. Partnerships



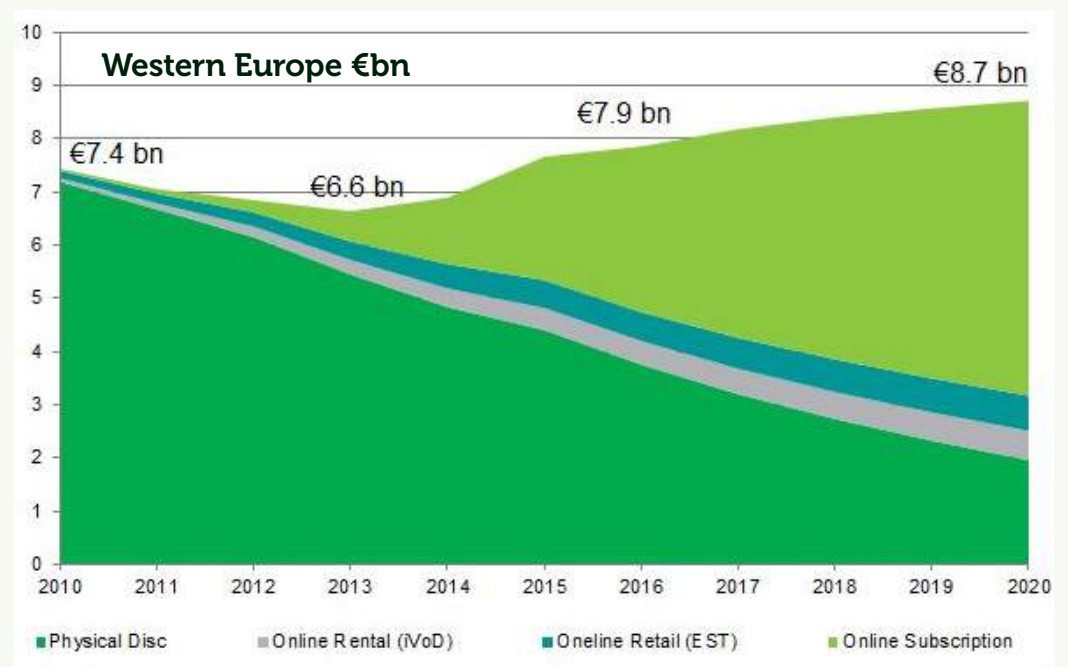
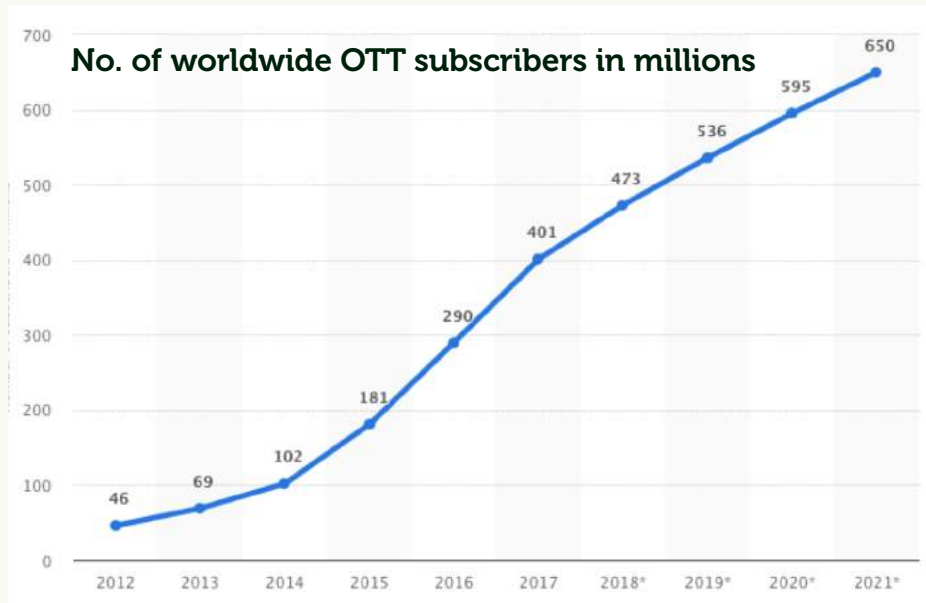
## Favourable Market Dynamics

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- Growth in consumer demand for OTT services leads to...
- Growth in
  - Content
  - Channels
  - Languages



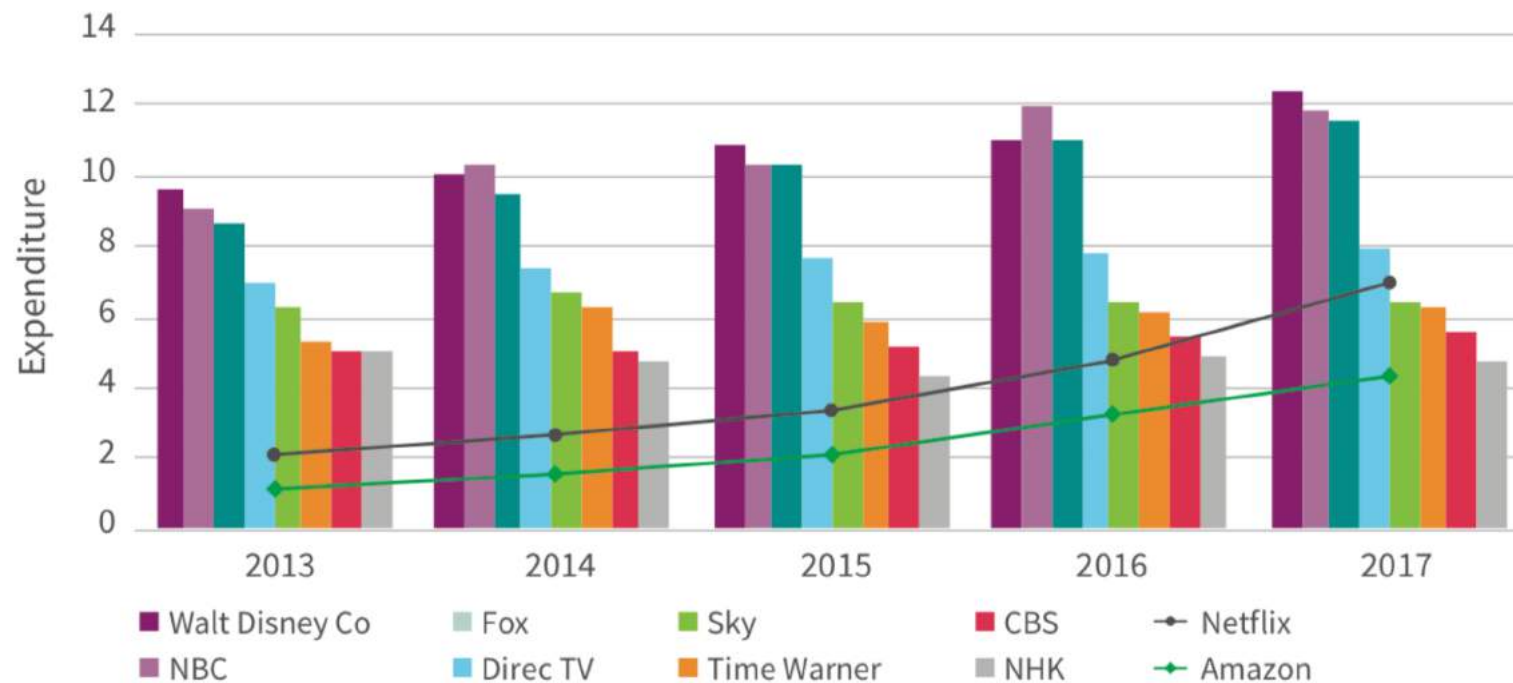
# Forecasted on-going transition from physical to digital



Source: IHS Markit

# Growth in Content Budgets

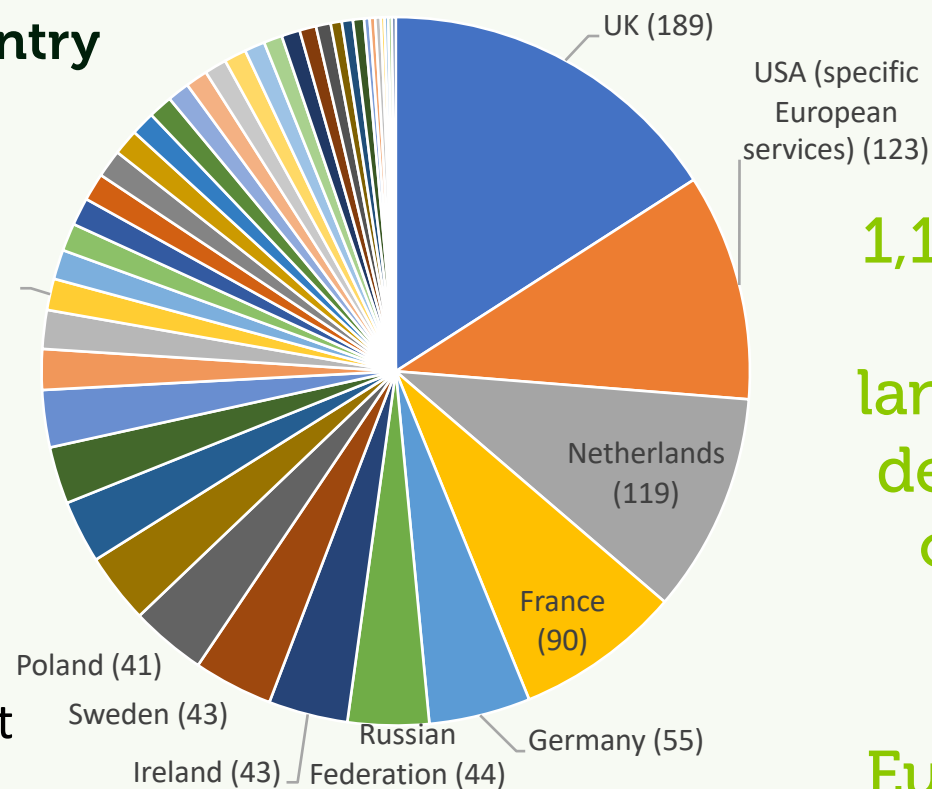
Annual programming expenditure – top 10 groups worldwide 2013-2017 (\$bn)



Source: IHS Markit

# Growth in Number of On-Demand Audiovisual Services

## Originating Country



1,188 on-demand audiovisual language services delivered by 544 organizations from/for 43 countries in European market

Source:  
<http://mavise.obs.coe.int>

## Growth in Target Languages

Albanian	German	Montenegrin
Arabic	Hungarian	Norwegian
Armenian	Icelandic	Persian
Bosnian	Indonesian	Polish
Bulgarian	Italian	Portuguese
Catalan	Japanese	Romani
Croatian	Kazakh	Romanian
Czech	Korean	Russian
Danish	Kyrgyz	Serbian
Dutch	Latvian	Slovak
English	Lithuanian	Slovenian
Estonian	Luxembourgish	Spanish
Finnish	Macedonian	Swedish
French	Maltese	Turkish
Gaelic (Ireland)	Mandarin Chinese	Ukrainian
Georgian	Modern Greek	Welsh

48 languages  
delivered by 544 on-  
demand audiovisual  
service providers  
from/for Europe

Source:  
<http://mavise.obs.coe.int>

## Media Localisation Market Size

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### MESA Europe, June 2017\*      Slator, August 2018†

- EMEA spend \$2bn
  - Dubbing 70% of market
  - Growth 8-10% pa
- Global spend \$1.86bn
  - EMEA approx. 50% of market
  - Growth 13% pa for next three years

\* <https://www.mesalliance.org/2017/06/27/study-emea-content-localization-service-spending-hits-2-billion/>

† <https://slator.com/whitepapers/slator-2018-media-localization-report>

## H1 Trading

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- Expanded offering well received by the market
- H1 revenues at least 17% higher than prior year
- Full year performance expected to be in line
- Cloud dubbing main contributor to growth
- Temporary disruption of subtitling supply chain
- Continued investment in capacity
- Affiliate partnership in Dubai

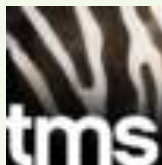
# ZOO R&D strategy and approach

Chris Oakley, VP Software Engineering

## ZOO R&D strategy and approach

### We make our own software

16+ years supplying the entertainment industry



**ZOOdubs**

**ZOOsubs**

**ZOOscripts**

**ZOOcore**

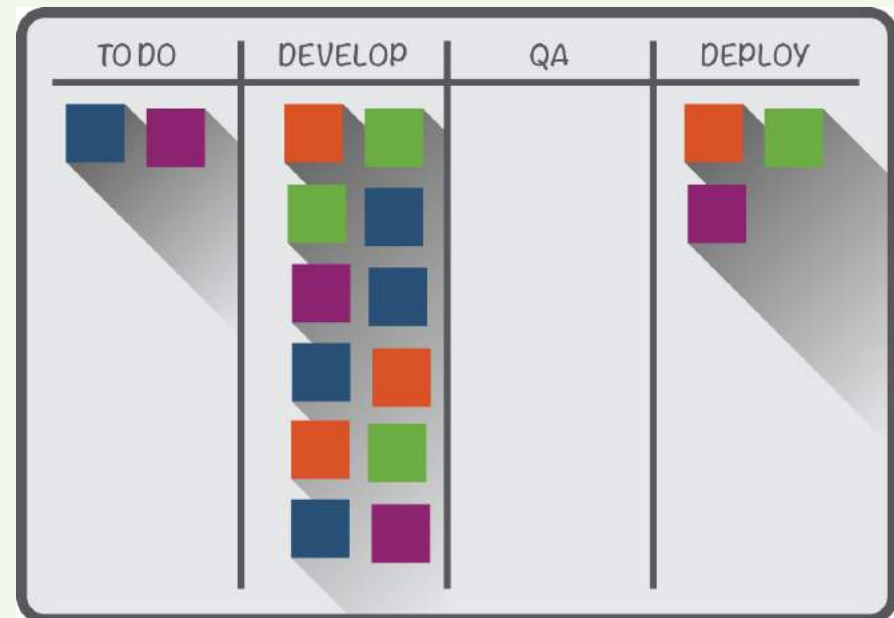
**ZOOscreen**



## ZOO R&D strategy and approach

### We do it in an agile way

- Incremental improvements
- Able to react to change
- Quicker to market



# ZOO R&D strategy and approach

# We make systems that talk to each other

- All part of the same ecosystem
- Automation of laborious tasks
- Improves quality

## ZOO R&D strategy and approach

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# ZOOdubs

## ZOO R&D strategy and approach

### Dubbing Done Differently

#### ZOOdubs

- Commercially proven cloud dubbing platform
- Cloud based product allows for faster turnaround times without compromising quality

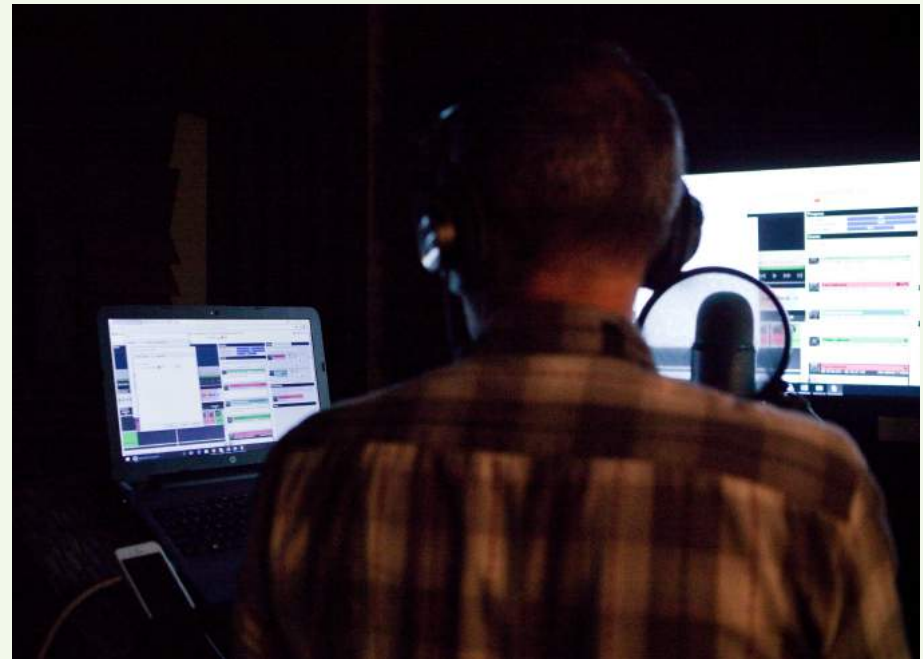


## ZOO R&D strategy and approach

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### Virtual Dubbing Studio

- Distributed recording locations
- Improved convenience for dubbing directors and voice artists



## ZOO R&D strategy and approach

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### **Technology enables us to assure quality**

- Automatically test recording environments
- Every recording is assessed for quality
- Eliminate missed recordings
- Rigorous QC process managed by ZOOcore

## ZOO R&D strategy and approach

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### Managing Change

- Delta fingerprints video and automatically determines the differences between versions
- Changes are adopted by ZOOdubs, ZOOsubs and ZOOscripts seamlessly



## ZOO R&D strategy and approach

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Our offering of production services delivered using proprietary software gives an attractive proposition for our clients

This enables us to keep ahead in an ever-changing industry



# Demonstration

Julian Day, Director Business Development

Mazin Al-Jumaili, Director Business Development