

# ZOO DIGITAL GROUP AGM 2023

28 September 2023



Gillian Wilmot  
Chairman



Nathalie Schwarz  
Non-Executive



Mickey Kalifa  
Non-Executive



Stuart Green  
CEO



Phill Blundell  
CFO



Gordon Doran  
CCO

# ORDINARY RESOLUTION 1

To receive the annual accounts and strategic, directors' and auditors' reports for the year ended 31 March 2023

<b>For:</b>	<b>51,781,097</b>
<b>Against:</b>	<b>93</b>
<b>Withheld:</b>	<b>206,505</b>
<b>Total:</b>	<b>51,987,695</b>

# ORDINARY RESOLUTION 2

To approve the directors' remuneration report for the year ended 31 March 2023.

<b>For:</b>	<b>49,752,144</b>
<b>Against:</b>	<b>2,018,254</b>
<b>Withheld:</b>	<b>217,297</b>
<b>Total:</b>	<b>51,987,695</b>

# ORDINARY RESOLUTION 3

To reappoint Mickey Kalifa as a director of the Company, having retired by rotation in accordance with the articles of association of the Company.

<b>For:</b>	<b>51,241,001</b>
<b>Against:</b>	<b>506,384</b>
<b>Withheld:</b>	<b>240,310</b>
<b>Total:</b>	<b>51,987,695</b>

# ORDINARY RESOLUTION 4

To reappoint Gordon Doran as a director of the Company, having retired by rotation in accordance with the articles of association of the Company.

<b>For:</b>	<b>43,189,881</b>
<b>Against:</b>	<b>8,579,984</b>
<b>Withheld:</b>	<b>217,830</b>
<b>Total:</b>	<b>51,987,695</b>

# ORDINARY RESOLUTION 5

To reappoint Grant Thornton UK LLP  
as auditors of the Company.

<b>For:</b>	<b>46,964,979</b>
<b>Against:</b>	<b>4,810,699</b>
<b>Withheld:</b>	<b>212,017</b>
<b>Total:</b>	<b>51,987,695</b>

# ORDINARY RESOLUTION 6

To authorise the directors to fix the remuneration of the auditors.

<b>For:</b>	<b>51,772,344</b>
<b>Against:</b>	<b>8,645</b>
<b>Withheld:</b>	<b>206,706</b>
<b>Total:</b>	<b>51,987,695</b>



# ORDINARY RESOLUTION 7

To authorise the directors to allot shares up to an aggregate nominal amount of £325,879.78.

<b>For:</b>	<b>51,727,540</b>
<b>Against:</b>	<b>47,837</b>
<b>Withheld:</b>	<b>212,318</b>
<b>Total:</b>	<b>51,987,695</b>

# ORDINARY RESOLUTION 8

To empower the directors to allot shares for cash without first offering them to existing shareholders on a pro rata basis.

<b>For:</b>	<b>46,909,007</b>
<b>Against:</b>	<b>4,866,370</b>
<b>Withheld:</b>	<b>212,318</b>
<b>Total:</b>	<b>51,987,695</b>

# MANAGEMENT PRESENTATION

THE SIMPSONS



Disney

PIXAR

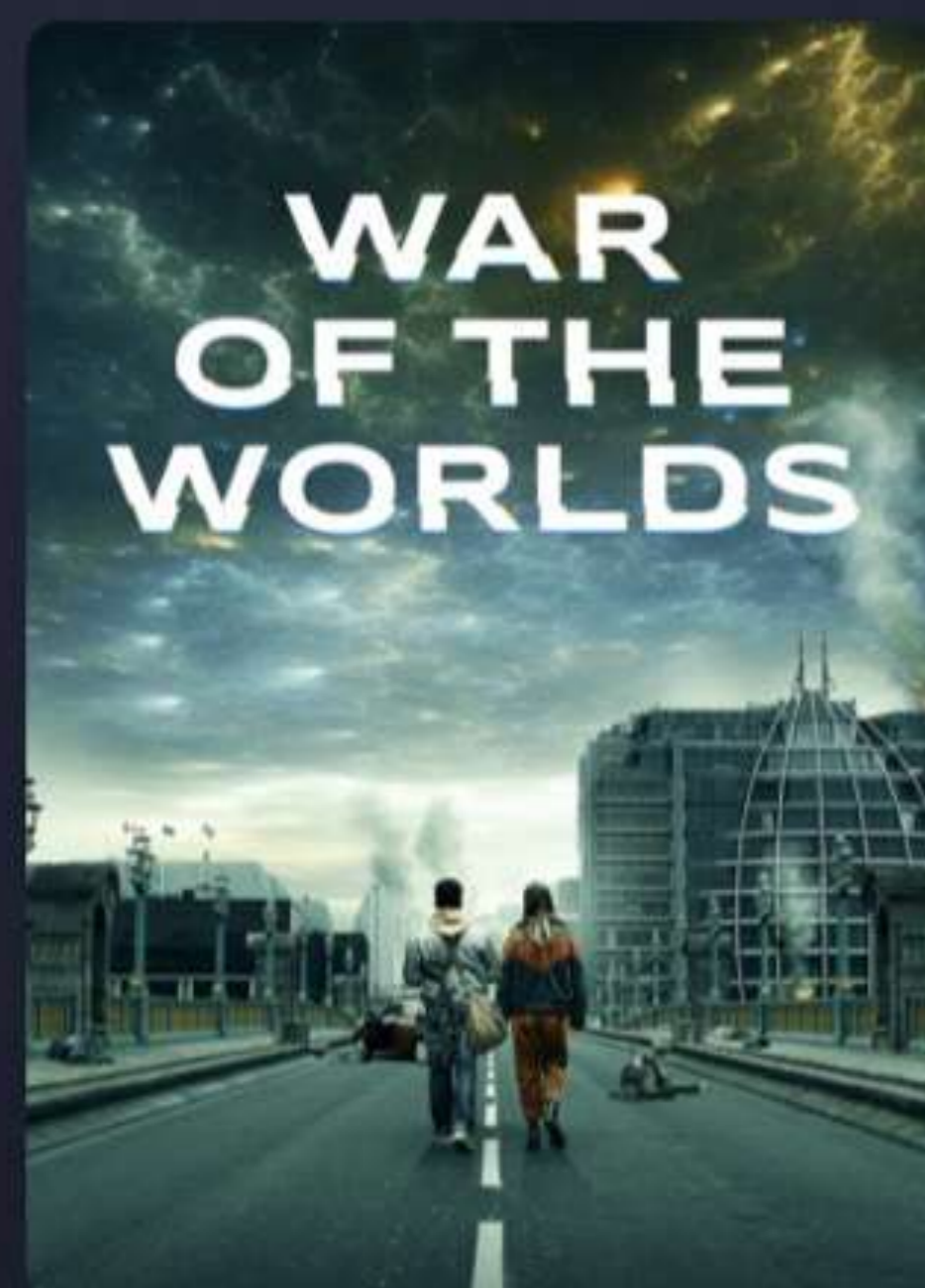
MARVEL

STAR WARS

NATIONAL GEOGRAPHIC

STAR

Bingeable Series



New to Disney+



# TECH-ENABLED PROVIDER OF SERVICES TO GLOBAL ENTERTAINMENT

- Fourth successive year of strong revenue growth with improved margins and profitability
- Increased share of a growing market; remain strategically positioned to meet customer demand
- Strengthened international presence in strategically important regions
- Content production market continues to grow with greater focus on profitability and monetisation
- Despite a temporary industry-wide slowdown leading to a weak FY24, the Board remains confident in the medium- and long-term fundamentals of the company and a return to growth



Meta



LIONSGATE

magnolia



pluto tv

A+E NETWORKS

HBO



# SHORT TERM INDUSTRY CHALLENGES

## **Major streaming companies have been undergoing strategic reviews**

- Refocus on profitability over subscriber growth
- Process commenced by Disney in early 2023, others have followed (Paramount, WBD, NBCUniversal, Amazon, Netflix)
- Restructuring, headcount reductions, trimming new content budgets, return to licensing of content, reviewing the supply chain, vendor relationships

## **First simultaneous strike of US writers' and actors' unions in 60 years**

- Dispute over pay and use of AI
- All new US productions are on hold

# WHAT WE KNOW

- Large media companies under pressure to evolve streaming services to become profitable
- All media localisation providers are affected by the hiatus and smaller players more marginalised

## However,

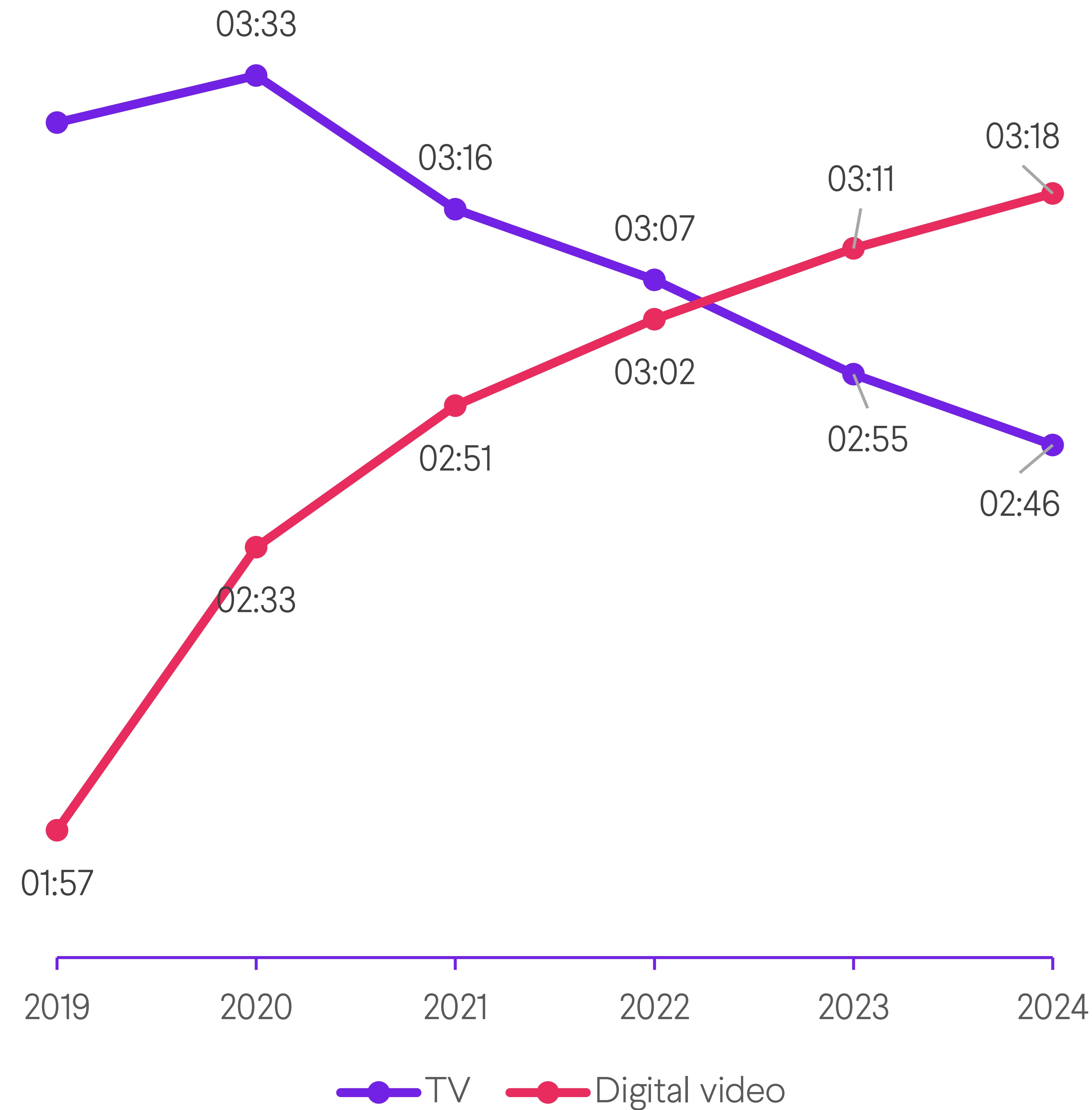
- The end markets for media & entertainment are as large and strong as ever
- Streaming services must continue to add content or audiences will decline
- There are substantial back catalogues that are still to be migrated to streaming
- Audience size is a key consideration when commissioning content, favouring content with international appeal
- There will continue to be the need for widespread localisation
- Provisional deal agreed between writers and studios that paves the way for return to production

# ZOO'S EXPECTATIONS

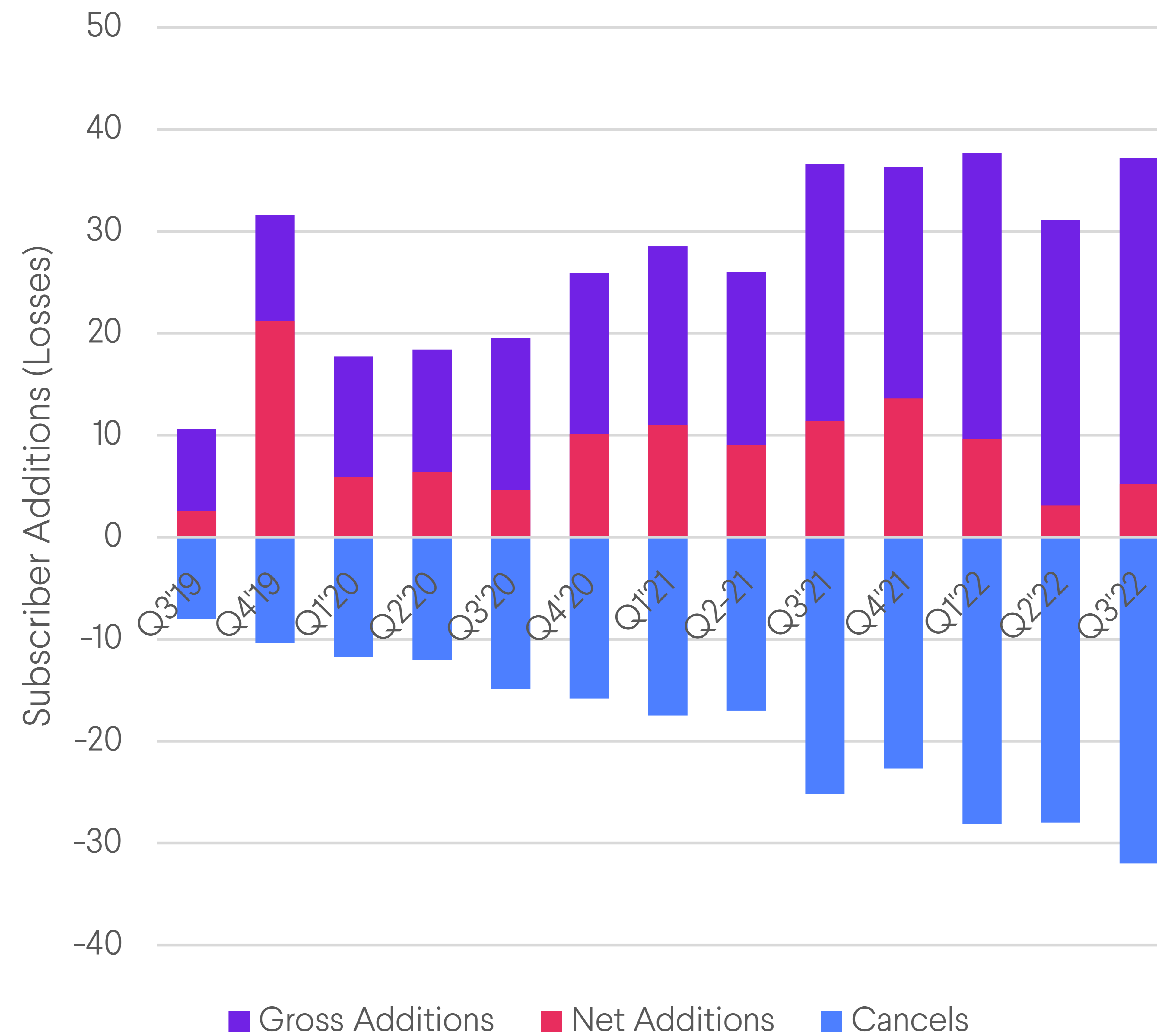
- The disruption is temporary, return to production likely within a few months
- Large buyers now favour E2E vendors – rationalisation of suppliers benefits ZOO
- ZOO is confirmed as a key supplier to major buyers with ZOOstudio embedded
- ZOO's flexible cost base is an advantage in the current environment
  - Asset-light freelancer model can be scaled up and down
  - Acquisitions can be postponed until visibility improved, with enhanced terms
  - ZOO has been cutting costs to restore operating profitability
- ZOO's innovative approach gives competitive edge – AI is an opportunity for ZOO rather than a threat
- ZOO has net cash and a strong balance sheet – confident we will be in an even stronger position when work resumes
- Board is committed to 2030 strategy with aspiration of \$400 million in revenue

# CONTENT SPEND GROWING AS CONSUMERS TRANSITION TO STREAMING

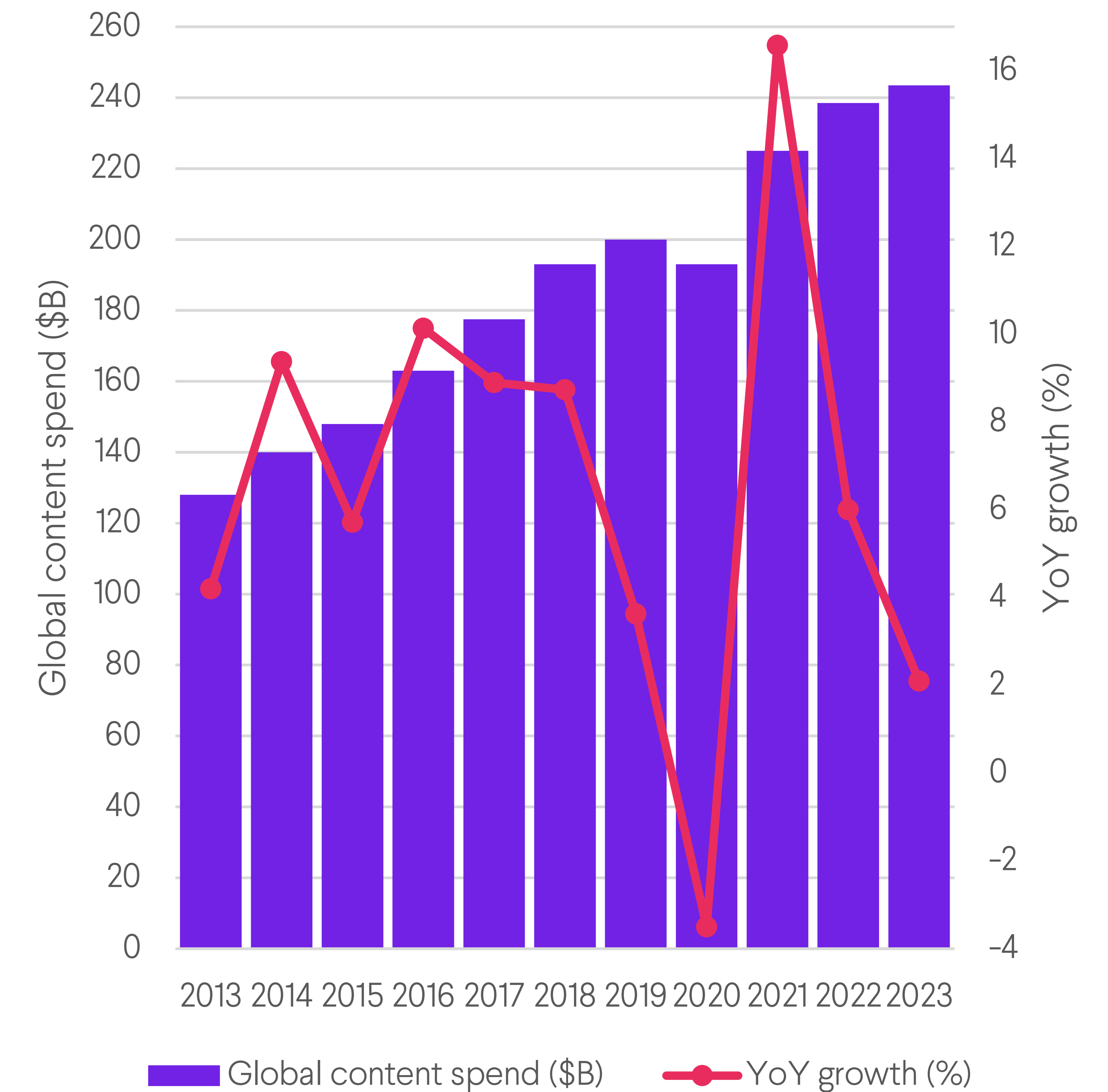
US Hours Spent per day with TV vs. Digital Video Among Adults<sup>1</sup>



Premium SVOD Quarterly Subscription Growth<sup>2</sup>



Global content spend (\$B)<sup>3</sup>



<sup>1</sup> Source: eMarketer, February 2023

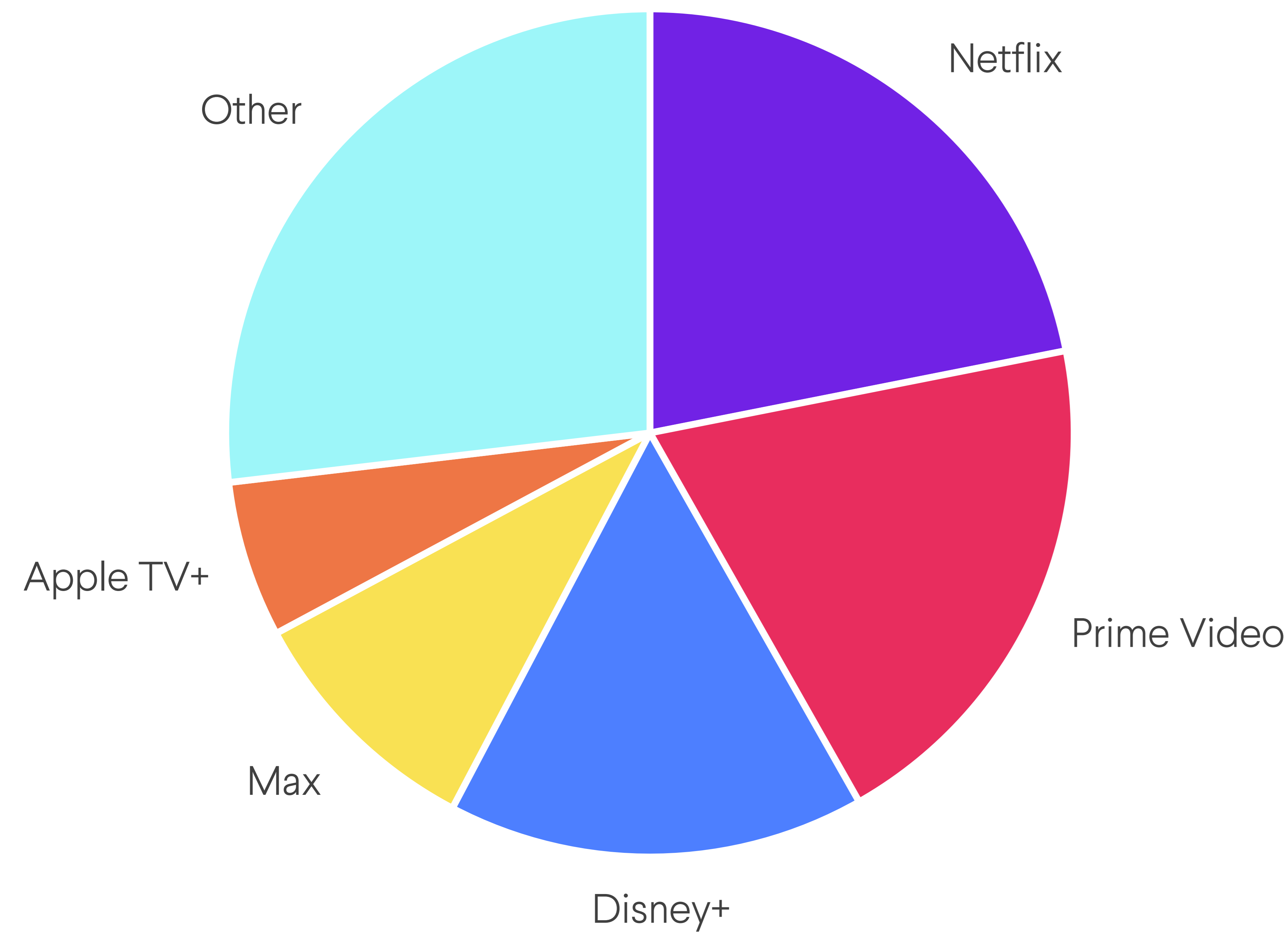
<sup>2</sup> Source: Antenna, November 2022

<sup>3</sup> Source: Ampere Analysis, January 2023

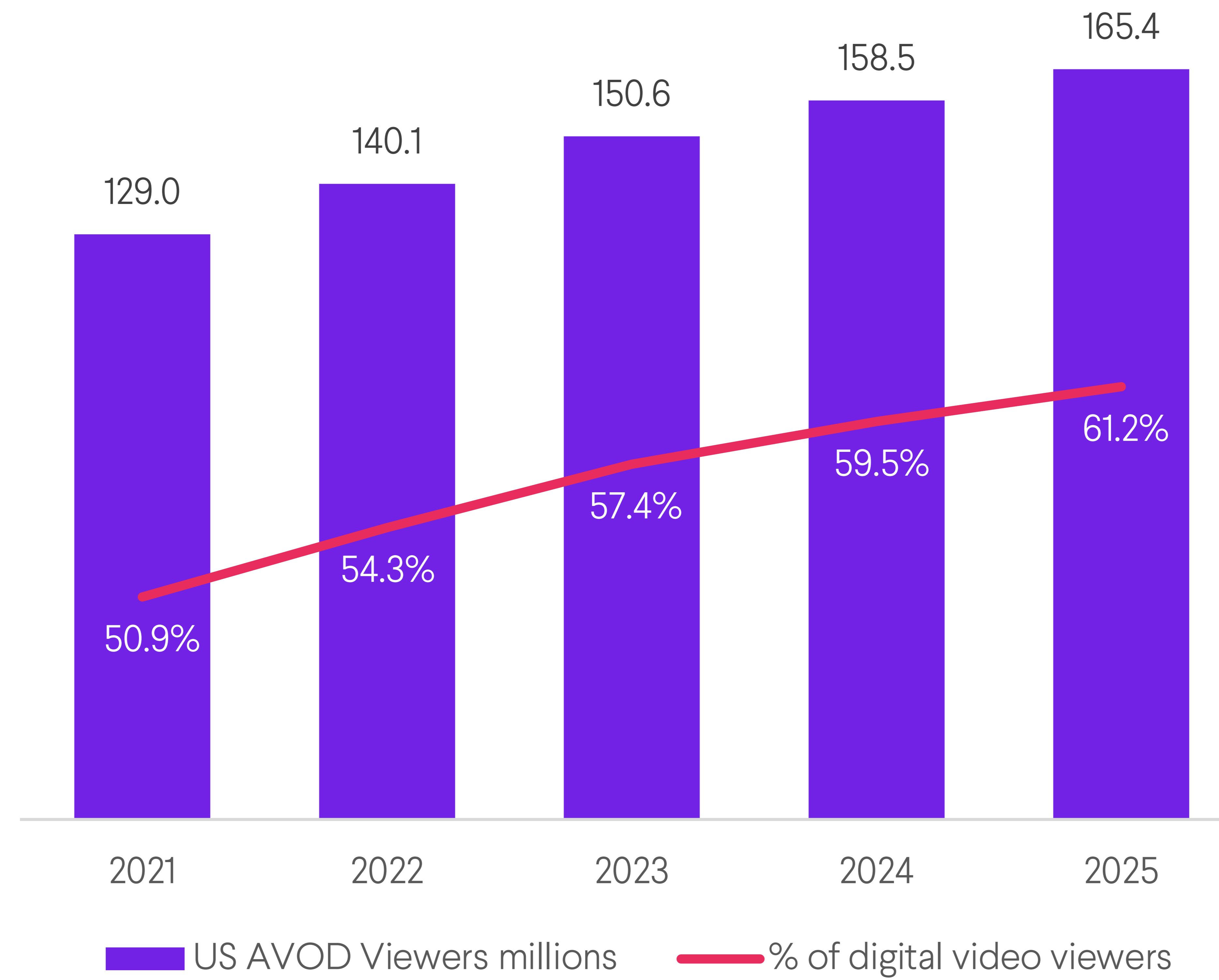


# HEIGHTENED COMPETITION IS LEADING TO NEW MONETISATION MODELS

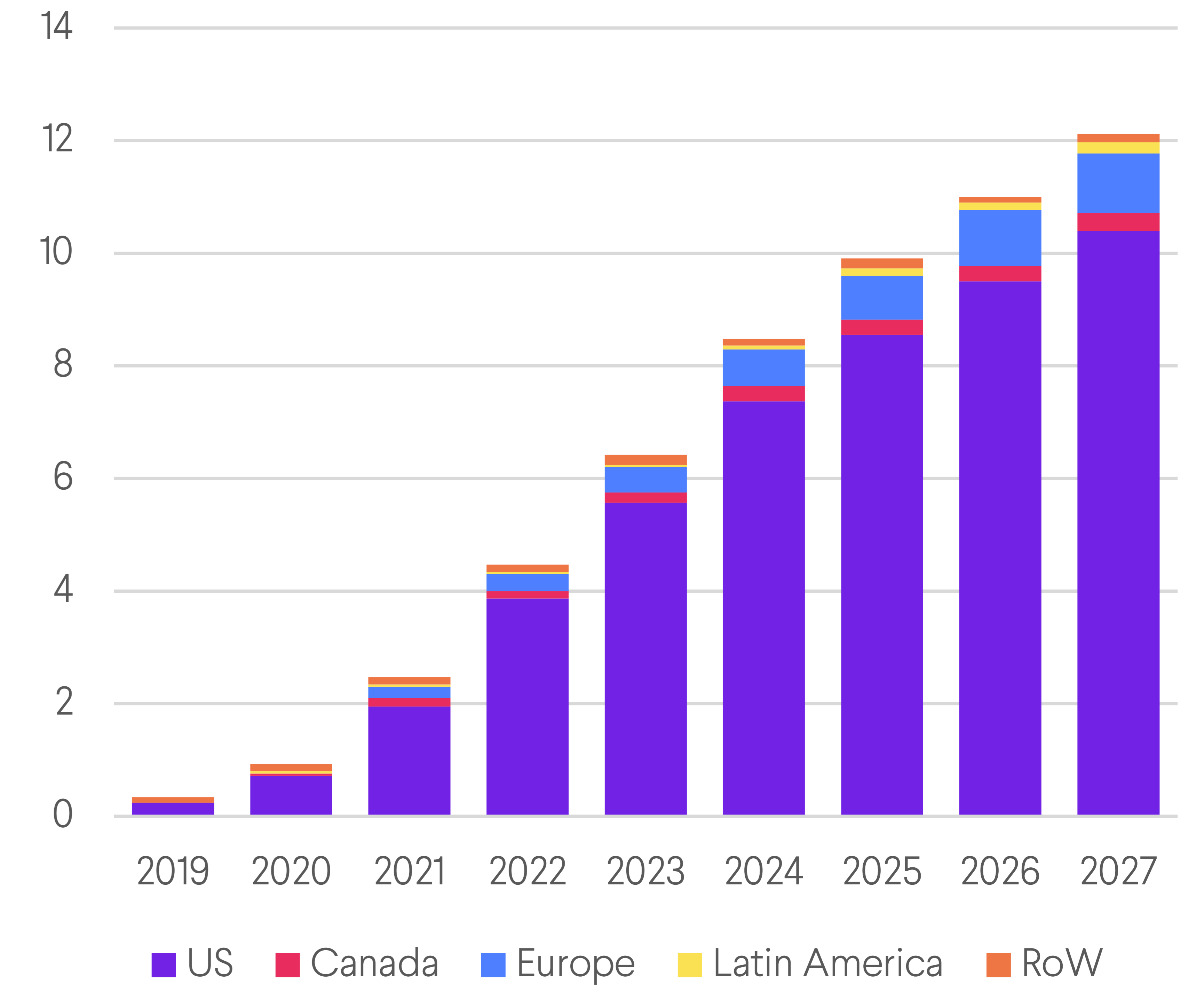
Global SVOD Market Shares December 2022<sup>1</sup>



US AVOD Viewers<sup>2</sup>



FAST Channel Revenue by Region \$B<sup>3</sup>

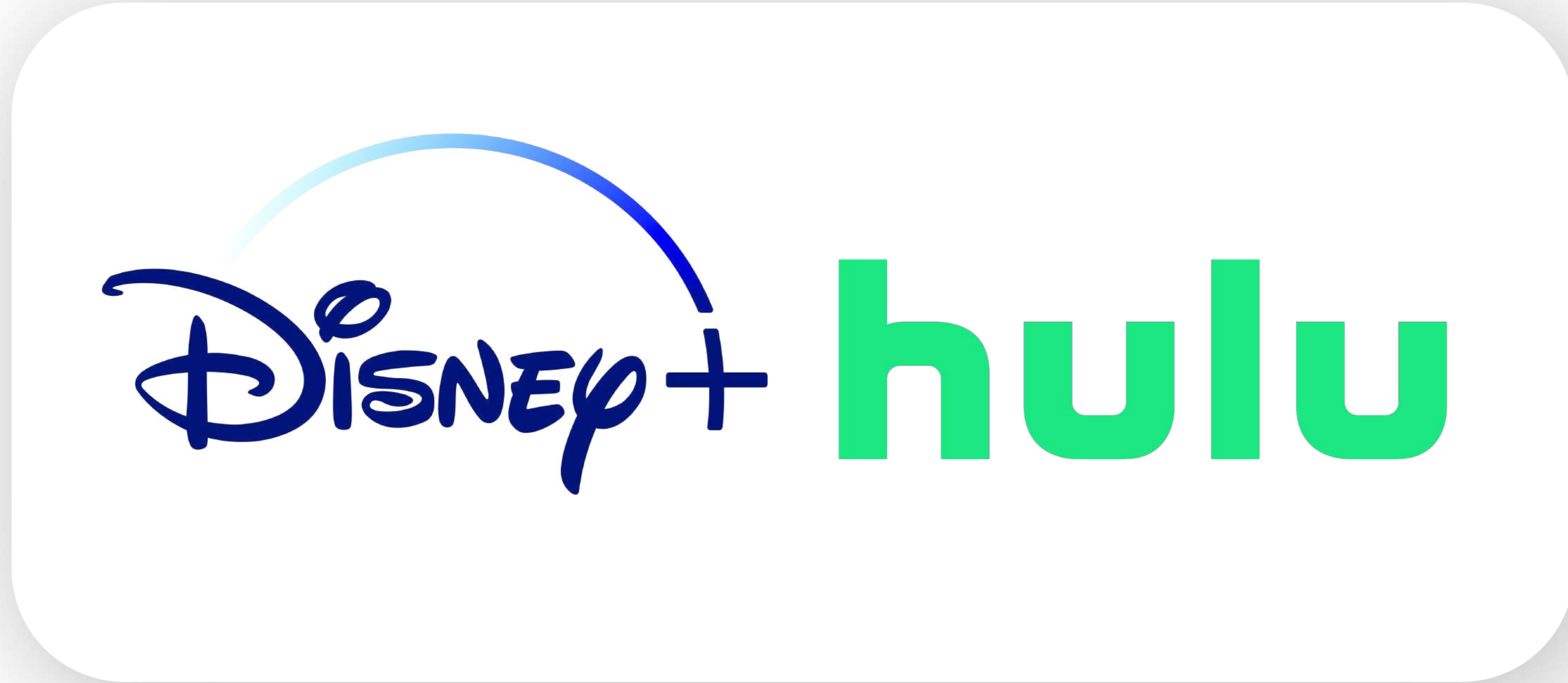


<sup>1</sup> Source: JustWatch, February 2023

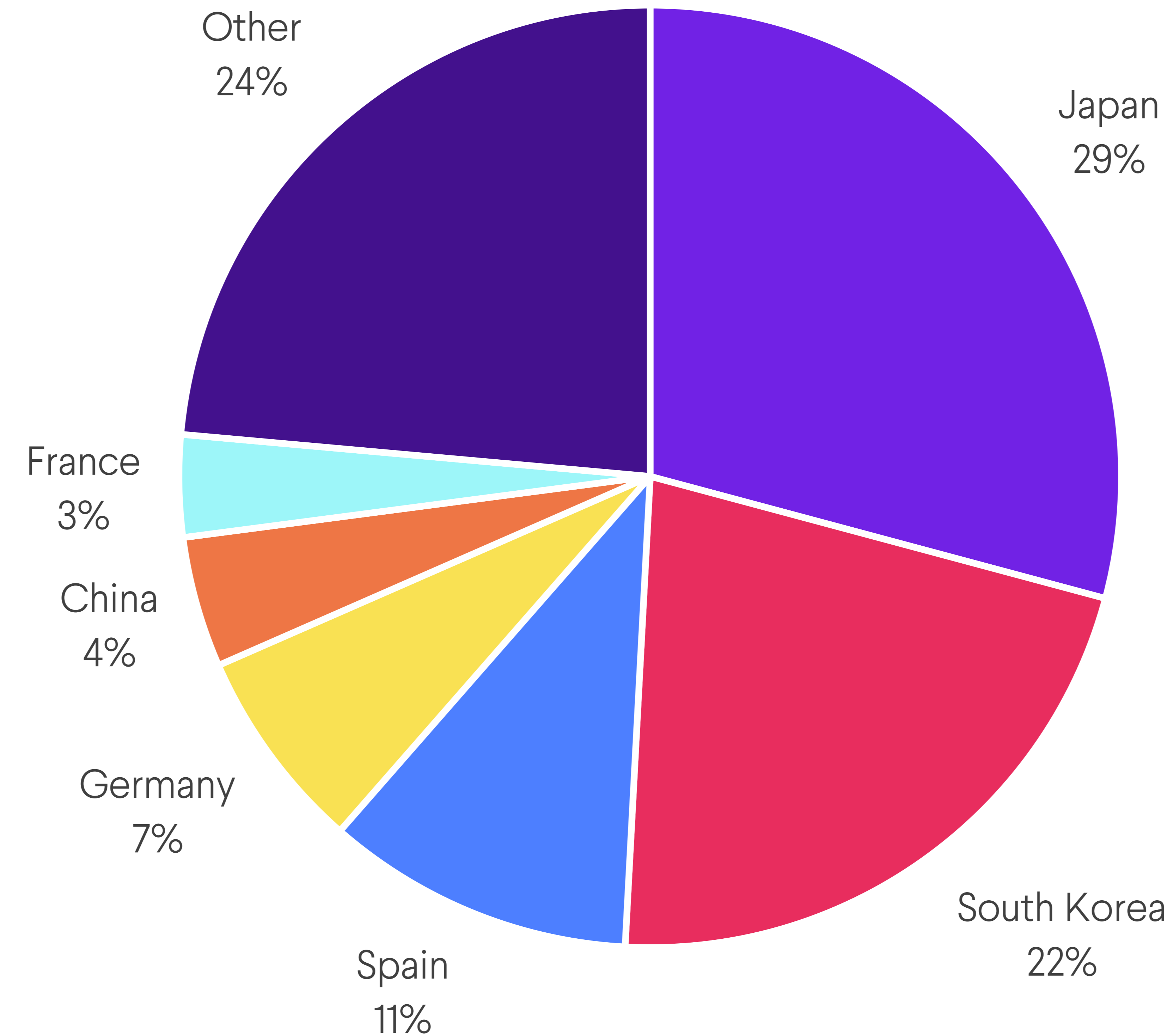
<sup>2</sup> Source: eMarketer, February 2022

<sup>3</sup> Source: Omdia, January 2023

# STREAMERS ARE INCREASINGLY FOCUSED ON PROFITABILITY



Demand for Foreign Language Netflix Originals by Country of Origin



**WDW News Today**  
THE WORLDWIDE LEADER IN DISNEY PARKS NEWS

**Iger Predicts Disney Will 'Meet or Exceed' \$5.5 Billion Cost-Cutting Goal**

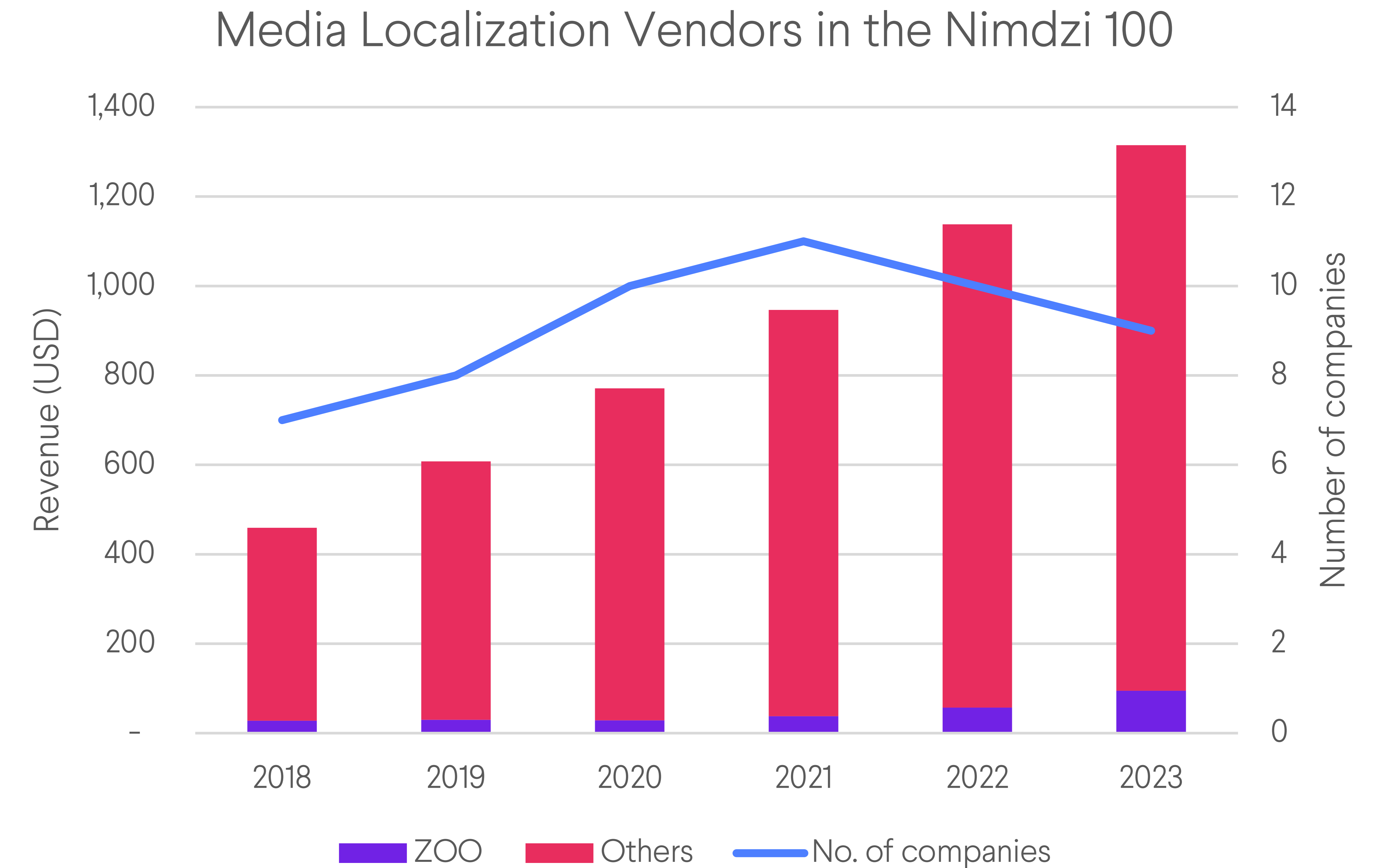
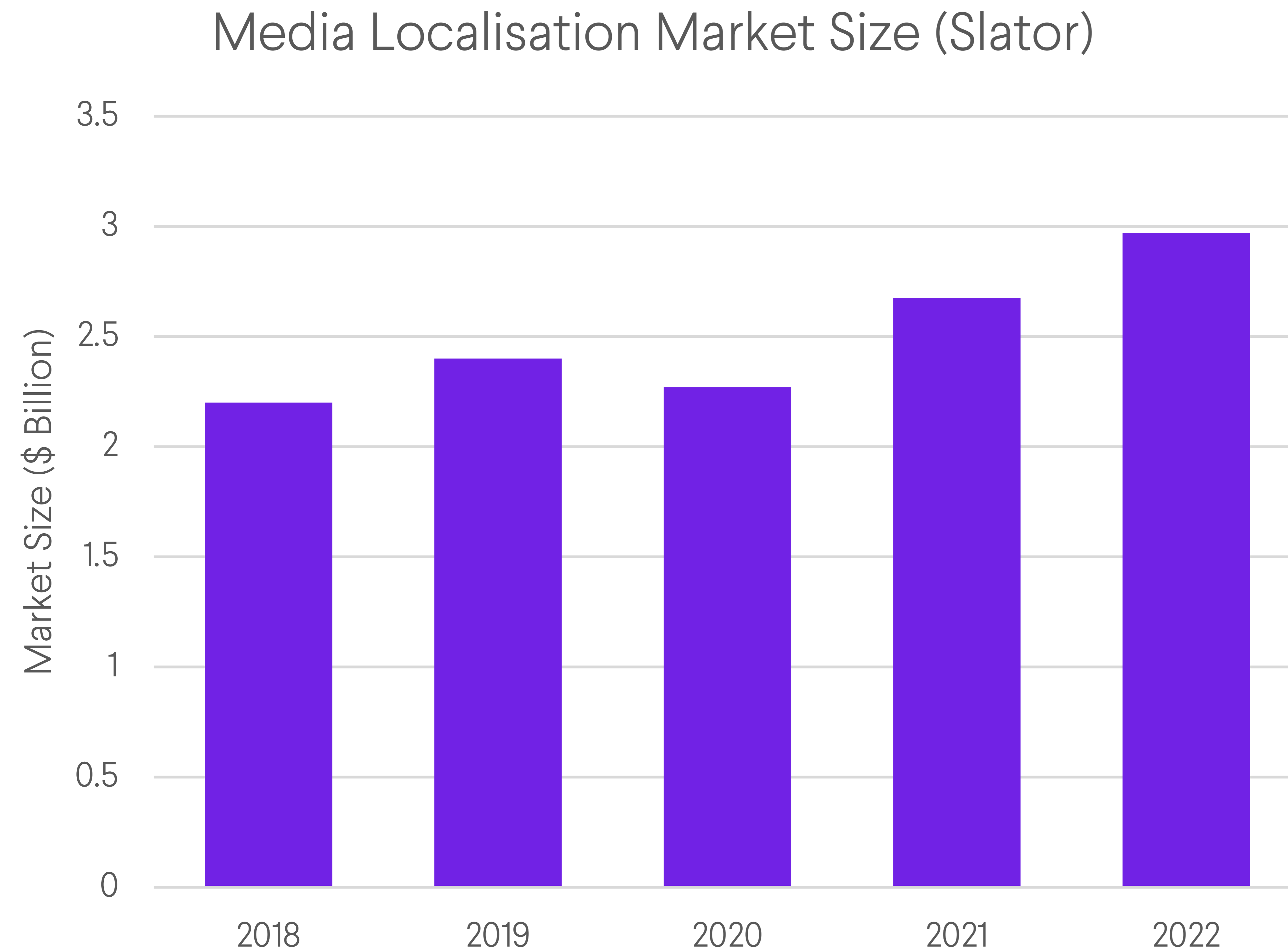
**VARIETY**

**Warner Bros. Discovery Increases Cost-Cutting Synergies Target to \$3.5 Billion**

**THE WALL STREET JOURNAL.**

**Netflix Plans to Cut Spending by \$300 Million in 2023**

# GROWING MEDIA LOCALISATION MARKET SERVICED BY FEWER GLOBAL VENDORS



- Media localisation market is c\$3 billion and growing
- Spend is being increasingly concentrated amongst a small number of global suppliers



# OUTLOOK

- Customer cost-saving programmes and industrial action have created a temporary hiatus
- This has resulted in softening of FY24 revenues
- Large customers are now rationalising their supplier bases – ZOO is strategically positioned to benefit as one of the few E2E vendors
- The cost base is being adjusted to reduce the impact of the temporary slow-down
- The Board is optimistic of a return to former levels in in the medium-term
- The Group remains financially strong with net cash expected to be at least \$16 million as of 30 Sept 2023
- Expect to complete a renegotiated Japan acquisition once the industry normalises
- The Board remains confident in the medium- and long-term fundamentals of the company and anticipates revenue growth over FY23 in the following years

**THANK YOU**



# Q & A

# THE BOARD



**Gillian Wilmot, CBE**  
Chairman

Since 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. Currently CFO of digital agency Dept having previously held roles of CFO with M&C Saatchi plc. and Sportech plc.



**Nathalie Schwarz**  
Non-Executive

Since January 2022

Brings 20 years of board-level international experience from roles in both publicly listed and privately owned companies, with a career spanning broadcasting, mobile and digital interactive platforms, including Group Commercial and Development Director at Channel 4 Television.



**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. Over 20 years AIM board director.



**Phill Blundell**  
CFO

Since 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; Chief Commercial Officer 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.