



## Market Announcement

6 March 2018, Vista Group International Limited, Auckland, New Zealand

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The Investor Presentation issued on 28 February 2018 had an error on Slide 19. The table on the top right of the slide showing Revenue/Active Moviegoer originally stated this was US cents. The numbers presented are in NZD cents.

This has now been corrected and the presentation with the corrected slide is now attached.

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**VISTA**  
**GROUP**

**VISTA GROUP 2017 FULL YEAR RESULTS**

**28 February 2018**

# AGENDA



- Introduction and 2017 Highlights
- Financial Results
- Operational update
- Vista China – Opportunities and increase in equity
- Outlook
- Questions

# VISTA GROUP FY17 SUMMARY

- Another great year of growth advancing global leadership for Vista Group
  - **20%** increase in Revenue – the 4<sup>th</sup> consecutive year of 20+% growth
  - **57%** increase in Operating Profit
  - **104%** increase in Operating Cash Flow
  - **20%** increase in recurring revenue to \$64m – **60%** of total revenue
  - **31%** CAGR for Revenue and **38%** CAGR for EBITDA since IPO
- Maintained very strong balance sheet, low debt and strong cash position
- Advanced our strategy of moving to controlling positions in our investments through transactions in China and Latin America
- Appointment and transition of new CEO
- Outlook remains very strong.



# FINANCIAL HIGHLIGHTS



TOTAL REVENUE

**\$106.6m**

(up 20%)

RECURRING REVENUE

**\$64.3m**

(up 20%)

OPERATING PROFIT

**\$20.4m**

(up 57%)

EBITDA<sup>1</sup>

**\$25.0m**

(up 42%)

OPERATING CASHFLOW

**\$11.0m**

(up 104%)

FINAL DIVIDEND

**1.74**

**CENTS P/SHARE**

(Total FY17 dividend up 28%)

EBITDA is a Non-GAAP measure and is defined as earnings before net finance expense, income tax, depreciation, amortisation, acquisition costs and equity-accounted results from associate companies. Expenses related to the VCL deferred consideration is also excluded. This is consistent with the measure used in the Prospectus dated 3 July 2014. Depreciation and amortisation in 2017 \$3.6m (2016: \$3.3m).



# INTRODUCING – KIMBAL RILEY

- As announced on 24 January Kimbal will take over the role of VGL Chief Executive from 3 April 2018
- Kimbal will take part in the investor call and roadshow to meet major stakeholders
- Kimbal has lead Vista Entertainment for the last 4 years, a period of significant growth and development for the business which has seen that business unit as a high growth driver for VGL as a whole
- Prior to his role within VGL Kimbal has had an extensive career in senior executive roles in the IT and services industries in New Zealand and overseas.





# MURRAY HOLDAWAY

## CHIEF PRODUCT OFFICER

- Focusing on Group Wide product strategy to improve synergies across Vista Group
- Working directly with product managers to assist in product directions
- Ensuring we maximise the commercial value of our products
- Meeting more with customers and industry to better determine market requirements
- Assist with our product marketing initiatives
- Evaluating new development opportunities and possible acquisitions
- Continuing work with the Vista Board.





## OPERATING SEGMENTS

CINEMA



MOVIO

MOVIO

ADDITIONAL GROUP  
COMPANIES

POWSTER

maccs

FLICKS

EARLY STAGE  
INVESTMENTS



ASSOCIATES



VISTA CHINA



# TRADING PERFORMANCE

For twelve months ended

NZ\$m	31 Dec 2017	31 Dec 2016	%
Revenue	106.6	88.6	20.3%
Expenses	87.0	74.2	17.3%
Foreign exchange losses / (gains)	(0.8)	1.4	
Operating Profit	20.4	13.0	56.9%
Other Revenue / (costs) <i>excluding capital gain on 2016 China transaction</i>	(3.6)	(1.1)	
Profit Before Tax <i>Excluding capital gain on 2016 China transaction</i>	16.8	11.9	41.2%
Capital Gain – 2016 China transaction	0.0	41.1	
Profit Before Tax	16.8	53.0	-68.3%
Net Profit attributable to Vista Group Shareholders	9.7	48.6	-80.0%
NZ\$m	2017 Actual	2016 Actual	
EBITDA	25.0	17.6	42.0%

- Another year of 20%+ Revenue Growth
- Profit and EBITDA improvements as some operating leverage achieved across the Group.

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# VISTA GROUP – Revenue Analysis



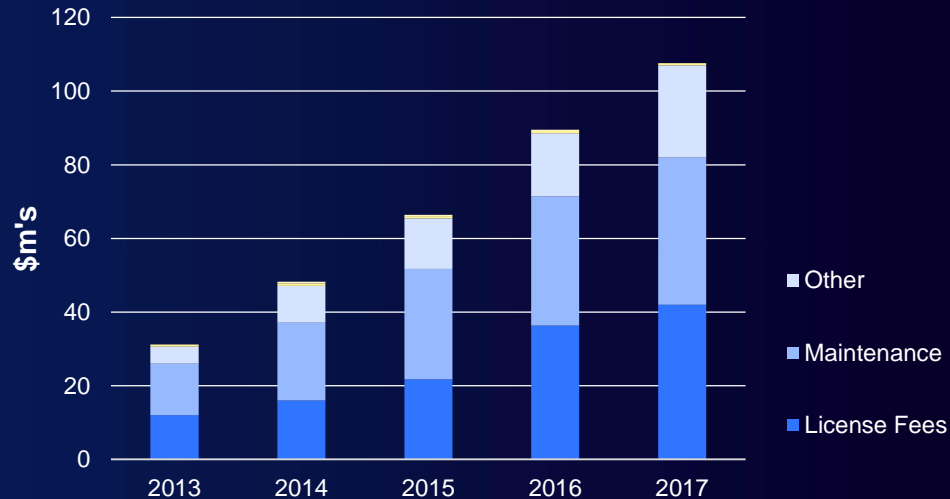
## 20%

REVENUE GROWTH  
OVER 2016

## 21%

INCREASE IN VALUE OF  
RECURRING REVENUE  
OVER 2016 TO \$64M

## REVENUE ANALYSIS



# OPERATING SEGMENTS

## 2017

NZ\$M	Cinema	Movio	Additional Group Companies	Early Stage Investments	Corporate	Total
Revenue	67.6	15.5	12.3	1.2	10.0	106.6
EBITDA	19.8	3.6	0.6	(1.7)	2.7	25.0

## 2016

NZ\$M	Cinema	Movio	Additional Group Companies	Early Stage Investments	Corporate	Total
Revenue	62.1	11.3	12.1	0.6	2.5	88.6
EBITDA	14.8	1.7	3.6	(1.3)	(1.2)	17.6

- Cinema segment grew 22% on a like for like basis excluding Vista China revenue in 2016 (\$6.7m).
- China localisation revenue reported in Corporate but the cost of delivery is embedded within Vista Cinema and Movio.
- Strong growth in core segments. Below par result in Additional Group Companies segment. Significant Opportunity for uplift in future periods in this segment.

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# FINANCIAL POSITION

NZ\$m	31 Dec 2017	31 Dec 2016
<b>Current Assets</b>		
Cash & short term deposits	21.0	21.3
Other receivables	71.3	73.9
	<b>92.3</b>	<b>95.2</b>
<b>Non Current Assets</b>		
Plant & equipment	4.6	4.1
Investment in associate	26.1	27.7
Intangibles	81.2	64.6
	<b>111.9</b>	<b>96.4</b>
<b>Total Assets</b>	<b>204.2</b>	<b>191.6</b>
<b>Current liabilities</b>	<b>41.2</b>	<b>42.4</b>
<b>Non current liabilities</b>		
Loans	10.7	4.8
Deferred tax and consideration	4.2	6.0
	<b>14.9</b>	<b>10.8</b>
<b>Net Assets</b>	<b>148.1</b>	<b>138.4</b>
Share capital	57.8	55.7
Retained earnings	75.2	71.3
Reserves	3.9	0.7
Non controlling interests	11.2	10.7
<b>Total Equity</b>	<b>148.1</b>	<b>138.4</b>

- Strong balance sheet maintained giving capacity to take advantage of new opportunities and development as well as support dividend program
- Cash levels strong as China transaction cash is received from WePiao and Vista China
- Receivables and Current liabilities at 2016 levels despite higher trading levels
- Increase in intangibles reflects Goodwill from Senda acquisition and investment in capitalised software development
- Additional borrowing in relation to Senda acquisition (in USD to provide partial hedge to investment) but still at low levels.

# CASH FLOW

NZ\$m	For twelve months ended	
	31 Dec 2017	31 Dec 2016
<b>Receipts from customers</b>	<b>105.1</b>	<b>69.7</b>
<b>Cash was applied to:</b>		
Payments to suppliers	(87.1)	(58.5)
Tax & interest	(7.0)	(5.8)
	<b>(94.1)</b>	<b>(64.3)</b>
<b>Net cash flow from operating</b>	<b>11.0</b>	<b>5.4</b>
<b>Cash applied to investing activities</b>		
Investments – including business acquisitions	(10.4)	(12.1)
Proceeds from divestments	8.3	0.0
Other investing activities	(8.3)	(5.9)
	<b>(10.4)</b>	<b>(18.0)</b>
<b>Cash from financing activities</b>		
Proceeds from Share Issue	0.0	8.0
Loans and borrowings	6.5	0.0
Dividends paid	(6.4)	-
	<b>0.1</b>	<b>8.0</b>
<b>Net movement in cash held</b>	<b>(0.7)</b>	<b>(4.6)</b>
<b>Foreign exchange differences</b>	<b>(1.0)</b>	<b>(1.4)</b>
<b>Cash balance</b>	<b>21.0</b>	<b>21.3</b>

- Strong cash receipts from trading drives increase in operating cash flow
- Investment activity includes investment in Senda, capitalised software development and operating assets offset by cash receipts from WePiao for Vista China share sale
- Loans and borrowings shows the additional USD loan in relation to the Senda acquisition
- 2016 final dividend paid in March and 2017 interim dividend paid in September
- Overall cash outlook remains strong with the business generating cash and some receipts (circa \$10m) still due from Vista China.

# DIVIDEND PROPOSAL

- The directors have resolved to pay a final dividend at the top of the policy range (50%) and that the dividend will carry full imputation credits
- The value of the dividend will be 1.74 cents per share representing a total payment of \$2.9m
- The record date for the dividend is 5pm on Monday, 12 March 2018 with the payment date set for Friday, 23 March 2018
- This is in addition to the interim dividend declared and paid in September 2017 of 2.40 cents per share (equivalent to 1.20 cents per share after the 2 for 1 share split undertaken in November 2017)
- Total FY17 dividend 28% increase on FY16.



# VISTA GROUP OPERATIONAL HIGHLIGHTS



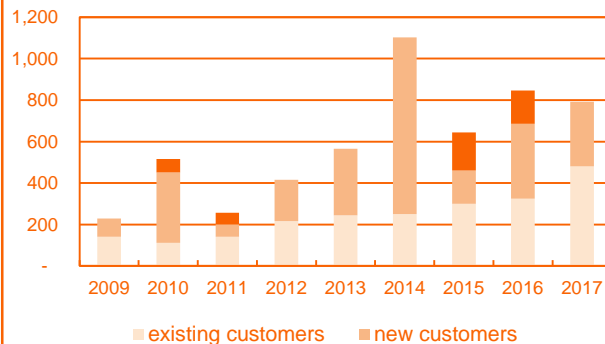


Vista Cinema provides cinema management software to the world's largest cinema exhibitors

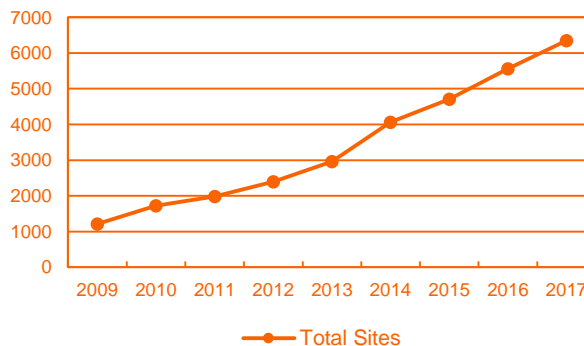
- 793 new sites in 2017 bringing total to 6350
- New markets — Brazil and Italy
- 93 installed countries - increase of 11
- 8 out of the 10 largest cinema exhibitors use Vista Cinema within their circuits.



NEW SITES ADDED



TOTAL SITE COUNT



**14%**

growth in total sites to 6,350

**10%**

increase in average site license to \$30k

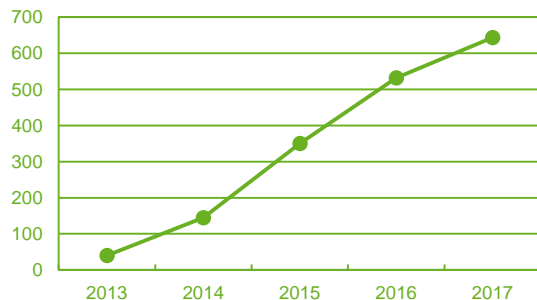




### Provides cinema management software to the world's independent cinema exhibitors

- 112 sites bring site numbers to 643. 8% increase in revenue per site.
- Release of new chargeable additional modules, including Kiosk and Veezi Voucher & Gift Card Manager
- New business partners signed in EMEA
- Your Cinema by Flicks web sites added as additional service, helping drive online sales and revenue. Over 50 signups in 2017
- Revenue sharing deals signed with payment providers.

VEEZI - TOTAL SITE COUNT



**8%**

increase in site  
revenue to \$517 p.mth

**27**

countries with  
sites using Veezi

**30%**

increase in ARR  
to \$4.0m

**23%**

growth in contracted  
sites to 643

### DRIVERS FOR GROWTH



- Cloud version for Vista Cinema on track with first modules delivered Q1 2018. Expectation of new demand for this product
- Continued product innovation meeting new market demands  
Complex Food & Beverage, Mobile self service
- Competitive wins in USA
- Expansion into new markets – Brazil, Italy, Japan
- Significant demand in Latin America, Eastern Europe and new market of Saudi Arabia
- New direct presence in South Africa to capture expected growth in Africa
- China – refer to separate slide.



- Strong expectation of growth in China
- Legislative changes driving demand in France
- Packaging hardware to address 500+ sites in USA
- Revenue Share deals with partners to drive added revenue per site
- Virtual Reality rooms.



Global leader in data driven marketing to provide products and services to cinema exhibitors, film studios and their media agencies and other specialists in film advertising

Purpose – to connect moviegoers with their ideal movie

- Major customer growth in Latin America and Europe for Movio Cinema
- Email and connection volumes increased by 28% to 1.8B
- Active moviegoers held by Movio increases by 21% to 45M
- Long term agreements for Movio Media with Epsilon, Viacom, STX and Twentieth Century Fox
- Movio Media drives revenue per active movie goer in USA up by 44%.

## 2017 PERFORMANCE METRICS

**37%**

growth total revenue to  
\$15.6m

**150%**

growth in Movio Media  
revenue

**44%**

growth in total revenue  
per active moviegoers in  
the USA to 45 cents

**15%**

growth in Global total  
revenue per active  
moviegoers to 35 cents

**28%**

growth in connection  
messages sent to 1.8bn

## GROWTH STRATEGY

- Increase active moviegoers held by Movio
  - Increase Movio Cinema users including non Vista Cinema users
  - Increase access to online moviegoers outside direct loyalty membership
  - Increase channels to access data on active moviegoers to increase overall potential data set
- Increase Revenue per active moviegoer
  - Increase USA revenue per active movie goer as media campaigns usage lifts and number of channels grows
  - Activate Movio Media in additional territories outside the USA
  - Increase Revenue per active movie goer outside the USA as media campaigns commence using USA successes as a template.

	Active Moviegoers (millions)		Revenue/Active Moviegoer (NZD cents)	
	2016	2017	2016	2017
USA	22	24	31	45
Rest of World	16	21	28	23
Global	38	45	30	35

### MOVIEGOERS

- Extend reach through Vista Cinema user base
- Extend use of generic API for non Vista Cinema users. In use with Cinemark Brazil.

### AUDIENCE

- Productisation of Movio Insights module for advanced targeting of active members
  - Employ machine learning to move beyond simple demographic targeting

### CONNECT

- Increase the channels to reach moviegoers with targeted campaigns
- Beyond email & SMS to digital targeting via the web, social and mobile applications
- Extend relationships with channel partners (Epsilon, Viacom etc)

### MEASURE

- Unique benefit of the ability to track actual transaction activity (via cinema POS partners) driven by a campaign
  - Enhance post campaign measurement of campaign effectiveness

### **POWSTER**

#### **World leading film marketing products**

- Strong growth in revenue and EBITDA
- Created 46% more movie destination sites (1,300) in 2017
- 87 of the top 100 grossing movies used the Powster Movie platform with total site visits up 290% to 422m
- Opened LA studio and completed successful entry to the USA.

### **MACCS**

#### **Provides world leading theatrical distribution software**

- Tough year for MACCS which impacted on this segments overall result
- Heavily focused on completion of Warner Bros. USA implementation - large and complex
- New CEO to be appointed to lead next phase
- 5,500+ cinema sites delivering weekly audited box office results to MACCSBox.

### **FLICKS**

#### **Movie and cinema review and showtime guide**

- Site visits up 34% to 6.6m and page visits up 42% to 17.9m in Australia
- Now the largest independent movie site in Australasia.



CINEMA INTELLIGENCE

### Software to optimise film forecasting and scheduling

- Strong 2nd half performance with high percentage of recurring revenue
- Increased pipeline and closure of 2 significant contracts for 2018 implementation
- Market opportunity large as penetration of Vista Cinema customers still low
- Many opportunities for new products to complement the Vista Cinema product suite
- Targeted to have positive EBITDA in 2018.



movieXchange

### A new platform to share film digital assets & enable new cinema ticketing sales channels to access cinema exhibitors

- MX Film now producing revenue with 10 customers in USA and Australia
- MX Film has very wide potential customer set
- MX Tickets had transaction volumes and revenue ahead of internal targets in FY17
- Currently only deployed in USA but a global opportunity.



Stardust

### Social app to share video reaction to movies and tv shows

- Active user numbers growing well since launch now at 24,000 and on target to reach key milestone of 50,000
- Activity rates (videos posted and reactions) increasing month on month. 20K reaction videos posted in December 2017.



### Box office tracking and reporting product

- Reached \$1M NZD ARR by Q4 2017
- Targeting positive EBITDA by end of 2018
- Transitioning Australasian trial users to full commercial terms through 2018
- Customer feedback on product is very positive
- China cinema data being reported with 3 major US studios contracted
- Collection for Korea, South Africa, Malaysia/Singapore services commenced, other key territories being added through 2018
- USA market a key focus for 2018.



# CHINA – A POTENTIAL GROWTH ENGINE

- Revenue of NZ\$17m, an increase of 71% over FY16
- Vista Cinema 12% of large competitive market
- Veezi gained first sites in China in 2017
- \$21m NZD cash repatriated to New Zealand to date.

## GROWTH

- Third Party revenue (Vista share of online ticket sales) – already significant with huge upside
- Mobile and Web opportunities for cinemas
- Site market share – huge opportunity to grow from present market share as China cinema matures
- Movio – huge data opportunity with assistance from JV partner; localisation now complete
- Veezi – almost ‘unlimited’ upside with opportunities to gain sites in large ‘batches’
- Wider sales for Numero China data.





# VISTA CHINA TRANSACTION DETAILS

- Execution of strategy to consolidate or achieve control of our investments.
- Vista Group to acquire 7.9% of the equity in Vista China which was held by WePiao – Vista Group and WePiao will each own 47.5% of Vista China.
- Vista China will become a controlled entity and its results will be consolidated from the date regulatory approval is obtained.
- The \$NZD7.7m price for this 7.9% stake (based on the original valuation of Vista China in 2016) has been 'off-set' against the monies outstanding from WePiao to Vista Group. Final amounts owed by WePiao under the transaction have now been settled.
- This is a very positive result for Vista Group and will enable the growth in Vista China, and the impact of the China market as a whole, to be better reflected within the Vista Group results.
- This will be revenue and earnings accretive to Vista Group from the date of consolidation.



# OUTLOOK

- Strong pipeline across the Group supports a 5<sup>th</sup> consecutive year of 20+% revenue growth
- New CEO and Chief Product Officer brings new focus to each role to benefit the Group overall
- Penetration of new markets and emerging large markets provides significant growth opportunities across all businesses
- Exciting new capabilities in the Movio product suite, and Increased take-up of Movio Media with signed deals and increasing digital spend provides strong driver of revenue per active movie goer
- Vista China is ideally positioned to exploit the size continued growth to now be consolidated in Vista Group results
- The Global cinema market continues to show strength, admissions and box office increasing in many territories, driving a continued growth in sites and screens, which create opportunities for all group companies





# QUESTIONS?

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