



## Market Announcement

29 August 2019, Vista Group International Ltd., Auckland, New Zealand

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### **Solid Core Business Performance Supports Investment in Vista Cinema Transformation Project**

#### **Financial Highlights**

- 19% growth in revenue over H12018 for the Vista Group core businesses – Vista Cinema and Movio.
- 16% growth in EBITDA over H12018 for the Vista Group core businesses – Vista Cinema and Movio.
- 35% growth in revenue for Movio over H12018 to \$11.6m, resulting in 42% growth in EBITDA over H12018 to \$2.3m.
- 12% growth in Vista Group consolidated revenue over H12018 to \$67.5m.
- Vista Group EBITDA of \$11.8m reduced 19% over H12018 impacted by a decline in movieXchange revenue, reduction in Vista China localisation revenue and adverse comparative FX.
- Vista Group profit before tax of \$6.2m.
- Vista Group well positioned to capitalise on future opportunities with \$24.8m available cash balance.
- Vista Group to pay a fully imputed interim dividend of 1.2 cents per share for H12019 on Friday 27 September 2019 – the top end of the dividend policy range.

#### **Operational Highlights**

- Vista Cinema global market share of Enterprise segment (cinemas with 20+ screens) reached 49.9% excluding China (39.4% including China).
- Vista Cinema global market share of total cinema screens increased to 39% excluding China (30.3% including China).
- 481 new Vista Cinema sites taking the total to 7,683 sites – including 89 new sites in China.
- 83 new Veezi (small cinema) sites taking the Veezi total to 984 sites.
- Movio revenue per Active Moviegoer, grew 27% over H12018.
- 14% increase in Vista Group recurring revenue over H12018 to \$41m – 61% of total Vista Group revenue.

## Transformation of Vista Cinema to SaaS

Vista Group is excited to announce that it has embarked on a transformational investment to migrate Vista Cinema to a pure SaaS future.

Beginning in the second half of 2019, Vista Group will accelerate the process commenced in 2017 that has already delivered several Vista Cinema cloud solutions. The faster timeframe is being driven by demand from Vista's cinema exhibition customers and prospects. Vista Group's progress to date, and the market's realisation that the pace of innovation and ease of access that SaaS solutions deliver are transformative benefits for their operations, has resulted in a customer mindset shift from caution to support; Vista intends to respond accordingly.

*"Our goal is simple," commented Kimbal Riley, Group Chief Executive Officer of Vista Group; "to deliver a multi-tenant SaaS product for cinema circuits and cinemas of all sizes, in all countries, as fast as we can. Our teams are already immersed in the project and the excitement about our future is infectious. Vista Cinema has a long history of delivering on our promises and we have every intention of continuing that tradition."*

Vista Group aims to have 'Vista Cinema – SaaS' in the market during 2021, available to both new and existing customers. From a business transformation perspective, the project will achieve the most important goal of exceeding the expectations of Vista Cinema's customers; it will also allow deployment to customer locations more quickly, deliver functionality in real time, and create a new platform for operating leverage in future years.

## Group Overview

Vista Cinema's strong first half was highlighted by the successful implementation and go-live of 90 sites with Marcus Theatres in the USA. Revenue expansion continues with the recent launch of new product innovations Serve, Horizon and very successful expansion of hardware and other third-party offerings.

Movio's first half achievements included the implementation of Aeon, Movio's first Japanese cinema exhibitor. Regional growth of 43% in LATAM and 41% in EMEA has increased Movio Cinema's global footprint to 55 countries. Movio Media revenue was strong due to an increase in Research revenue and renewed contracts with Amazon, Warner Bros. and Viacom.

Additional Group Companies (AGC) performance reflected modest revenue increases. Powster continues revenue growth from its showtimes platform, though creative projects targeted for H12019 have now been pushed to later in the year. Maccs' business had a strong first half. New deals signed in July 2019, plus reporting expansion via collaboration with Vista Cinema in Europe, provides an encouraging outlook for Maccs. Flicks has obtained unique user growth in both Australia and New Zealand, with "Your Cinema" websites now being used by 97 cinemas across 13 countries.

Early Stage Investments' (ESI) revenue was impacted by a one-off prior year transaction for Cinema Intelligence and revenue in movieXchange dropping due to the decline of MoviePass, a key ticketing partner for movieXchange tickets in 2018.

Associate company Numero achieved strong revenue growth over the 2018 corresponding period. Numero is now providing reporting services in multiple countries, global coverage has reached 22 territories.

Vista China H12019 highlight was the addition of 89 new sites. Vista Group is in advanced negotiations to acquire a controlling stake in Vista China.

JV company Stardust is not consolidated. It continues to focus on product enhancements to expand its reach to avid moviegoers.

Kimbal Riley  
Group Chief Executive  
Vista Group International Ltd  
Contact: +64 9 984 4570