

Investor Day

26 October 2022



Vista Group
International
Limited

Cinema of
the future

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Agenda

01 **Strategy Overview** Kimbal Riley, Group Chief Executive

02 **Industry Update** Matthew Liebmann, Chief Data and Innovation Officer

Platform

03 • **Moviegoers** Sarah Lewthwaite, CEO Movio

• **Clients** Leon Newnham, CEO Vista Cinema

• **Technology** Grant Smith, COO Vista Cinema

04 **People** Anna Ferguson, Chief People Officer

05 **Financials** Matt Cawte, Chief Financial Officer

06 **Summary** Kimbal Riley, Group Chief Executive



Strategy Overview



The cinema of the future

Our message today is clear...

- Cinema continues to show great strength – with upside to come
- Our platform delivers the best experience in the industry
- Client interest is strong, and our value proposition is clear
- Our platform enables us to significantly increase our total addressable market (TAM)
- We see an inflection point in investment in late 2024 delivering free cash flow from 2025



Vista Group's **purpose** is to bring more people together to **experience the magic** of movies and cinema by creating the platform that **connects the industry** and **powers the moviegoer experience**

Vista Group Strategy

01



**Support our clients to
rebuild their business**

02



**Expand our core platform
that delivers value to our
clients and connects
moviegoers**

03



**Create and invest in
new opportunities**

Strategy 1 and 3

01

**Support our clients to
rebuild their business**

- BAU
- Re-opening kit
- Operational Services
- Scaled support organisation
- cNPS tracking upwards

03

**Create and invest in
new opportunities**

- Platform first strategy
- Focus on platform contribution/scale

Our primary focus today is
on Strategy 2

–

Expand our core platform

What is the platform?

Movio EQ

- Connecting every moviegoer to their ideal movie

Vista Digital

- Delivering the best digital experience for moviegoers

Vista Cloud

- The future of cinema management

Strategy 2

Good for our Clients

- Focus on our clients' biggest problems
- Innovation into user's hands
- Operational workload significantly reduced
- Scalable for peaking demand
- Capex dramatically reduced

Good for Vista Group

- Much greater share of wallet (TAM)
- Reduced working capital
- Drives operating leverage
- Aligns revenue with client success

02

Expand our core platform that delivers value to our clients and connects moviegoers



Aspiration

Where we believe we can go....

Aspiration – with 100% platform

- Group ARR \$NZD300m+
- Group EBITDA 25-30%
- 60%+ market share
- 6,000+ sites on platform

Key Point

- We can execute on our strategy with current funding

Inflection Point

Late 2024 and 2025 will be significant inflection points

Investing through to mid 2024

- Investing in R&D bump
- Transitioning existing clients
- Winning new clients
- Engineering for scalability
- Supporting on-premise

Inflection Point – late 2024

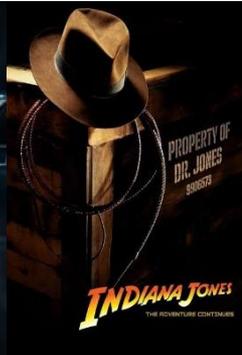
- R&D bump plateaus
- Group ARR \$NZD175m - \$NZD205m in 2025
 - 1,600 – 2,400 sites on platform in 2025
 - 3-5+ times average on premises maintenance
- Free cash flow from 2025

To get there

...

...

we start with some fast improving industry fundamentals



Industry Update





The field of play:
Substitutes & complements

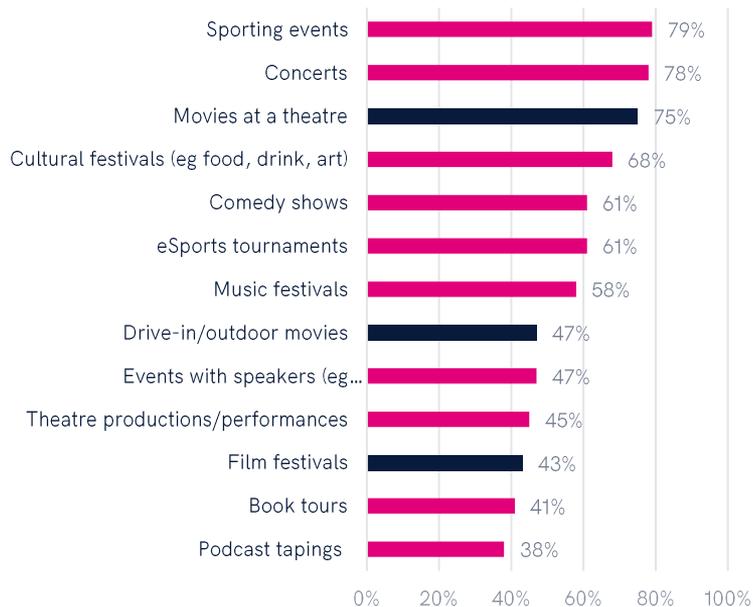
Cinema straddles two worlds

Out of Home Leisure & Entertainment



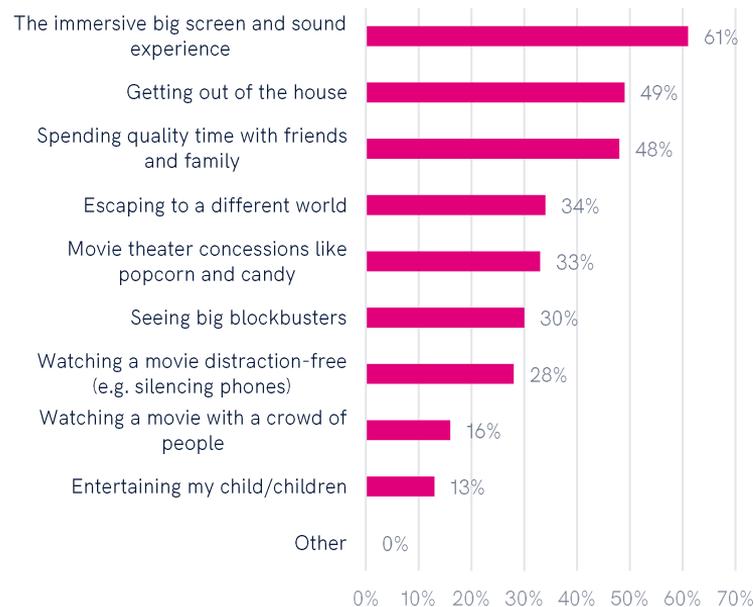
People love the cinema

Top live events people are most excited to attend post-COVID-19



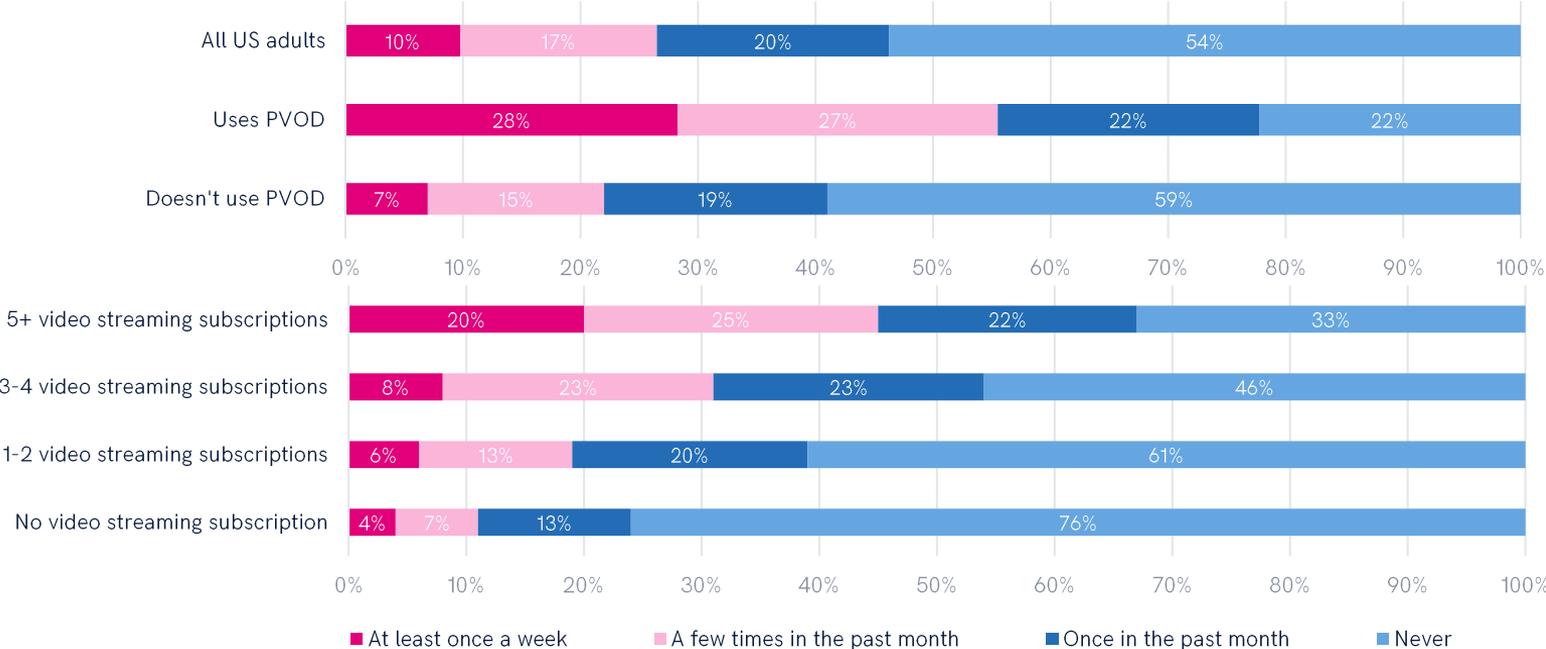
and for more reasons than just the movie

The most important reasons people go to the movies



Streamers are the most avid moviegoers

Respondents were asked how often they saw a movie in theatres over the past month



Source: Morning Consult, July 2022

The studios believe that cinema drives downstream revenue

“Theatrical still has the greatest impact. That sort of theatrical release, 45 days later to streaming, that’s working beautifully.

The bigger the hit in theatres, the greater the impact in streaming. The path to monetization now is greater.”

Brian Robbins, President and CEO of Paramount Pictures

September 2022



“And so this idea of **expensive films going direct-to-streaming**, we cannot find an economic case for it.

We can’t find an economic value for it.”

David Zaslav, President and CEO of Warner Bros. Discovery

August 2022



Two \$200m movies:
the major difference
is **US\$1B in box office**

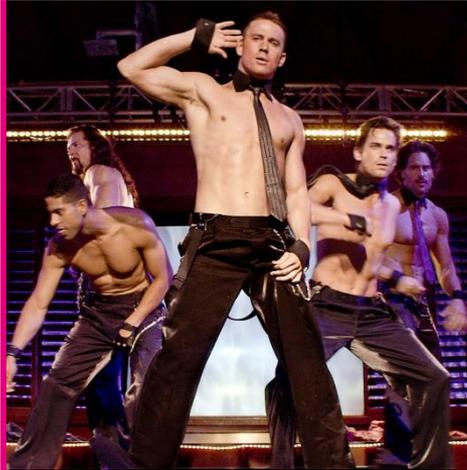


Budget	\$200m
Streaming Release	June 22
Streaming Minutes	1,430m
Worldwide Box Office	US\$955m



Budget	\$200m
Streaming Release	July 22
Streaming Minutes	1,438m
Worldwide Box Office	\$0

Streamers are sending movies to the cinemas for exclusive windows



'Magic Mike's Last Dance'
Skipping HBO Max,
Going Theatrical



Marvel's Don Cheadle
Series 'Armor Wars' To Be
Turned Into Feature Film



Netflix reaches historic
agreement with global
exhibitors for 'Knives Out 2'

A 45-day window has marginal impact on box office



\$858.4m

96% in 45 days



\$543.6m

96% in 45 days



\$434.0m

95% in 45 days



\$477.4m

91% in 45 days



\$426.8m

94% in 45 days



\$515.2m

98% in 45 days



\$390.5m

96% in 45 days



\$355.6m

89% in 45 days



\$335.5m

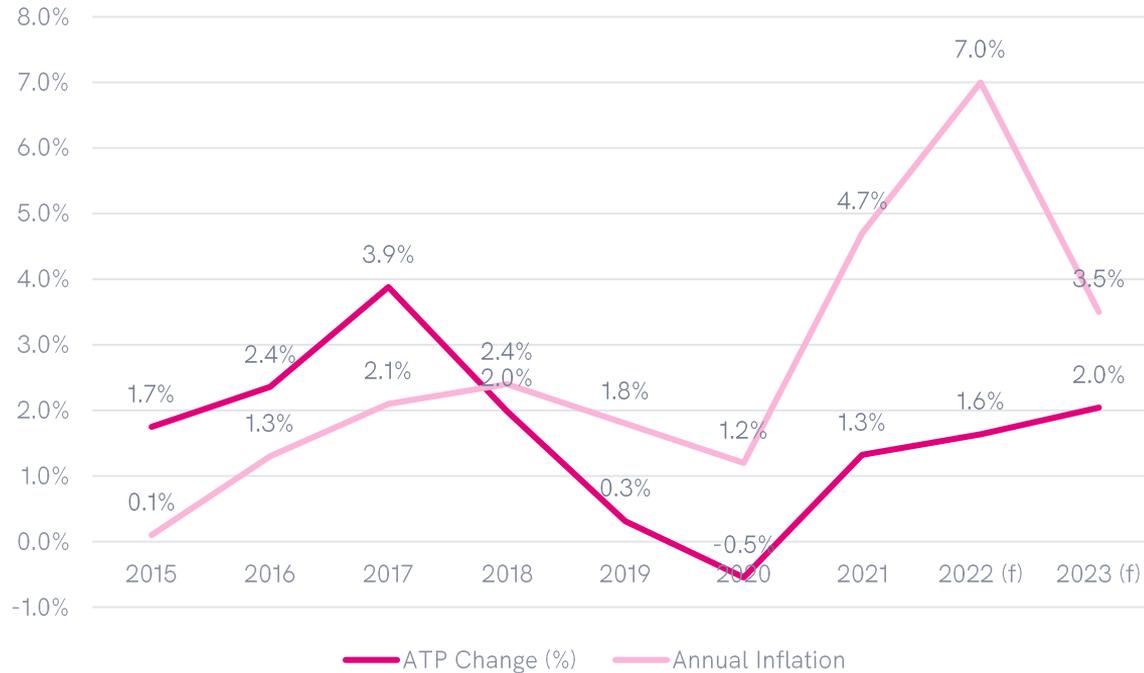
95% in 45 days



\$211.6m

99% in 45 days

Cinema remains affordable and resistant to downturns



Domestic Average Ticket Price (ATP) Growth vs Inflation: 2015-23(f)

On average, a person must **work 26 minutes to buy a movie ticket** at the average price in their home country.

Cinema has traditionally fared well during tougher times:

US box office grew during three of the last four recessions.



The score:

Structure & performance

Cinema is back and audiences are returning fast



Recent domestic box office records

2 of the Top 5 highest grossing movies of all time released post-Omicron

- Spider-Man: No Way Home - US\$814m (No. 3)
- Top Gun: Maverick - US\$714m+ (No. 5)



Since Omicron, the domestic industry broke 4 additional calendar-based records

- | | | | |
|------------------------|---|-----------|------------|
| • July 4th weekend | Minions: The Rise of Gru | Jul. 2022 | US\$123.1m |
| • Memorial Day weekend | Top Gun: Maverick | May 2022 | US\$160.5m |
| • December | Spider-Man: No Way Home | Dec. 2021 | US\$260.1m |
| • Labor day weekend | Shang-Chi and the Legend of the Ten Rings | Sep. 2021 | US\$94.7m |

Food & Beverage average spend is up, boosting exhibition profitability



\$7.52 Q1 '22 (+35%) vs \$5.58 Q1 '19 in US
+21.5% vs Q1 '19 internationally



\$5.80 '21 vs \$4.27 '20



All-time high US result of \$6.90 in Q2 '22



\$8.82 Q1 '22 vs \$7.93 in Q1 '21



+3.7% H1 '22 vs H1 '21
+29% vs H1 '19



+49% '22 vs H1 '19

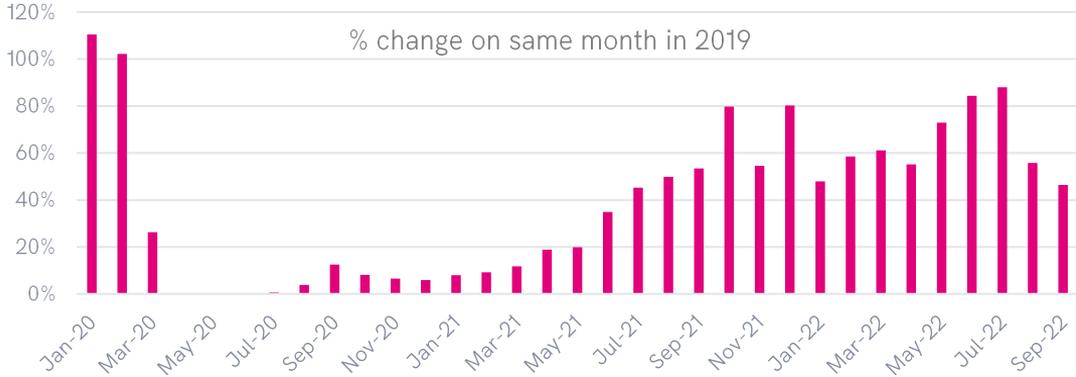
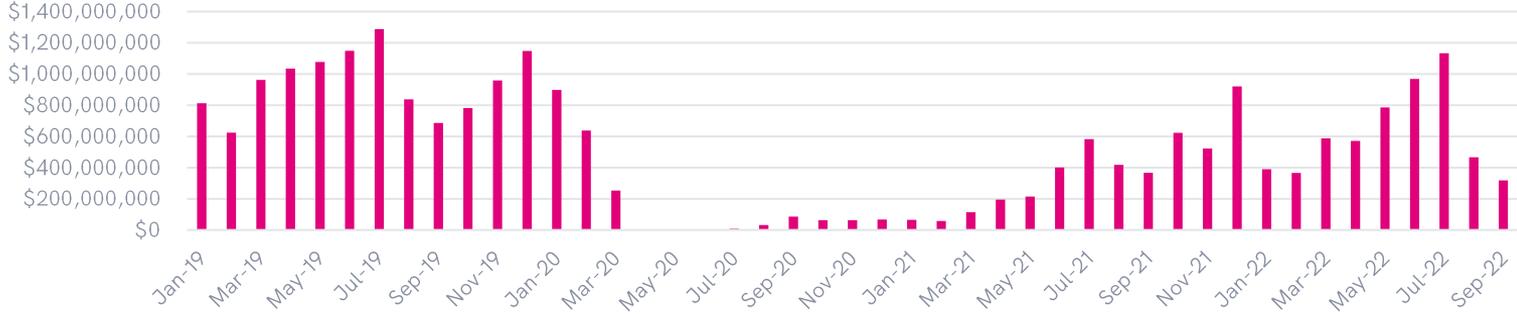


+32% Q1 '23 vs Q1 '20



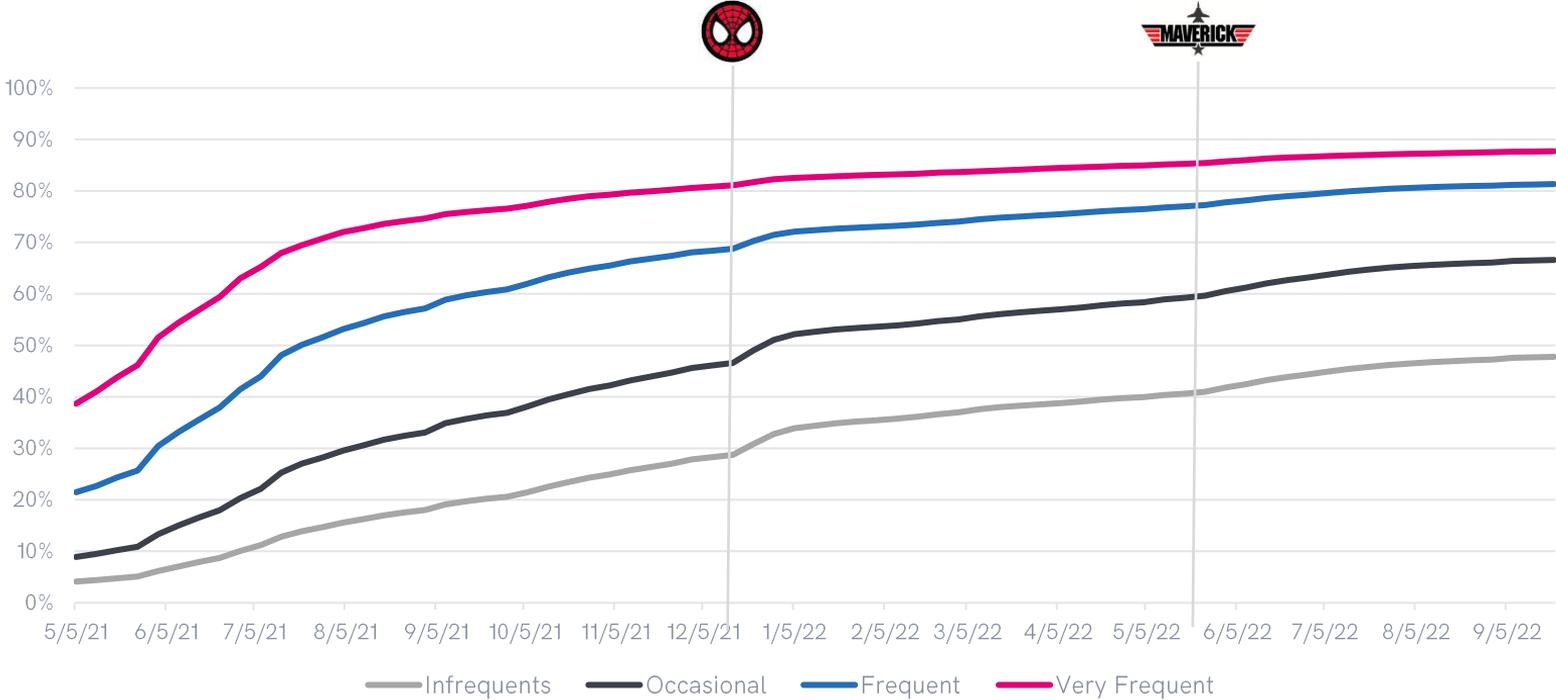
+20% H1 '22 vs H1 '21

When movies abound, box office rebounds...



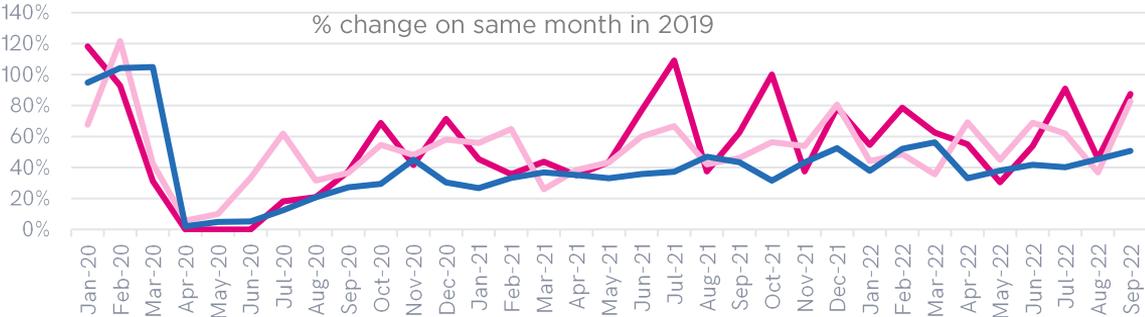
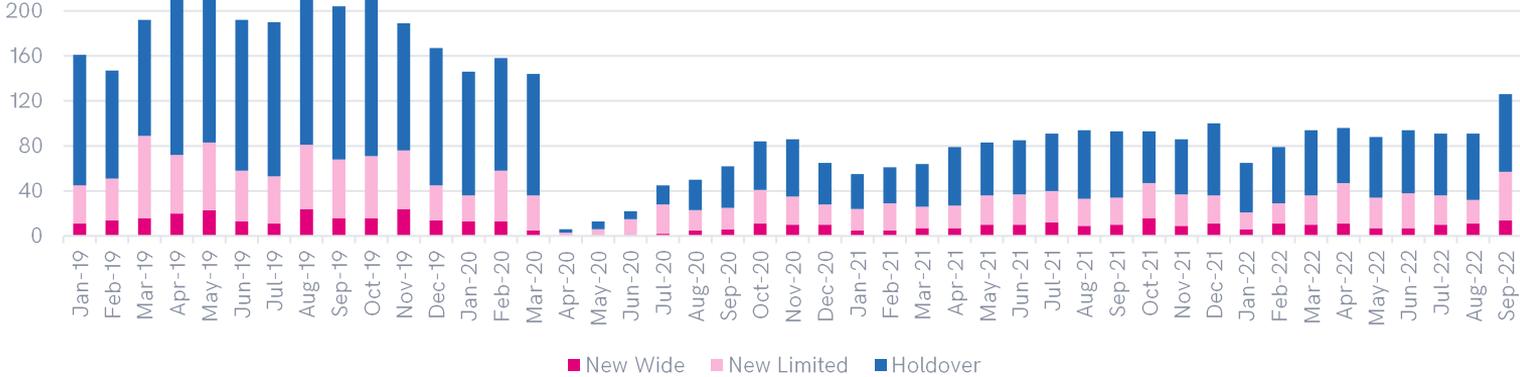
Monthly Domestic Box Office: 2019-22
 Source: Box Office Mojo

...as Spidey and Maverick demonstrate



Percentage of returned moviegoers by frequency

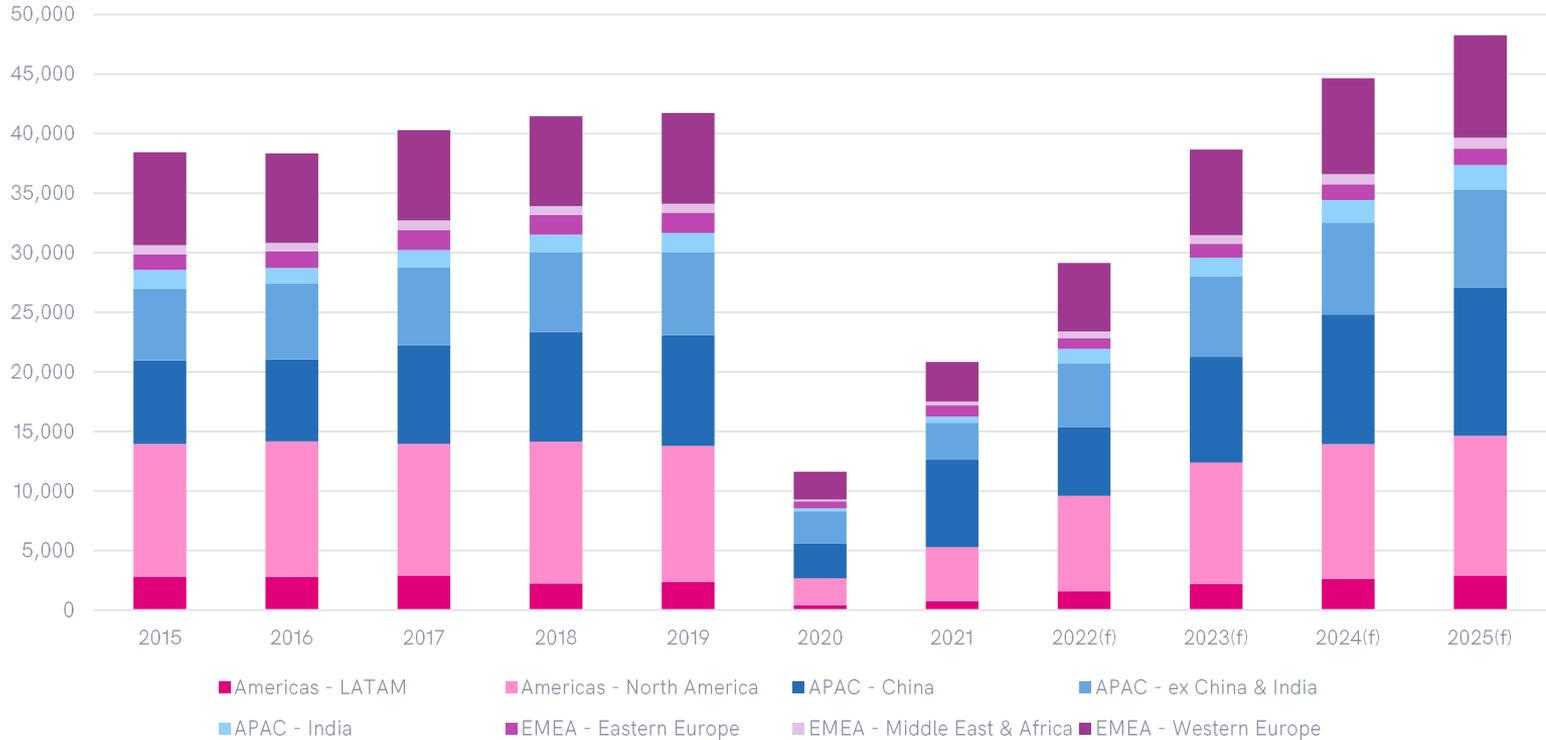
But right now, there is an overall movie shortage



Monthly Domestic Box Office: 2019-22
Source: Box Office Mojo

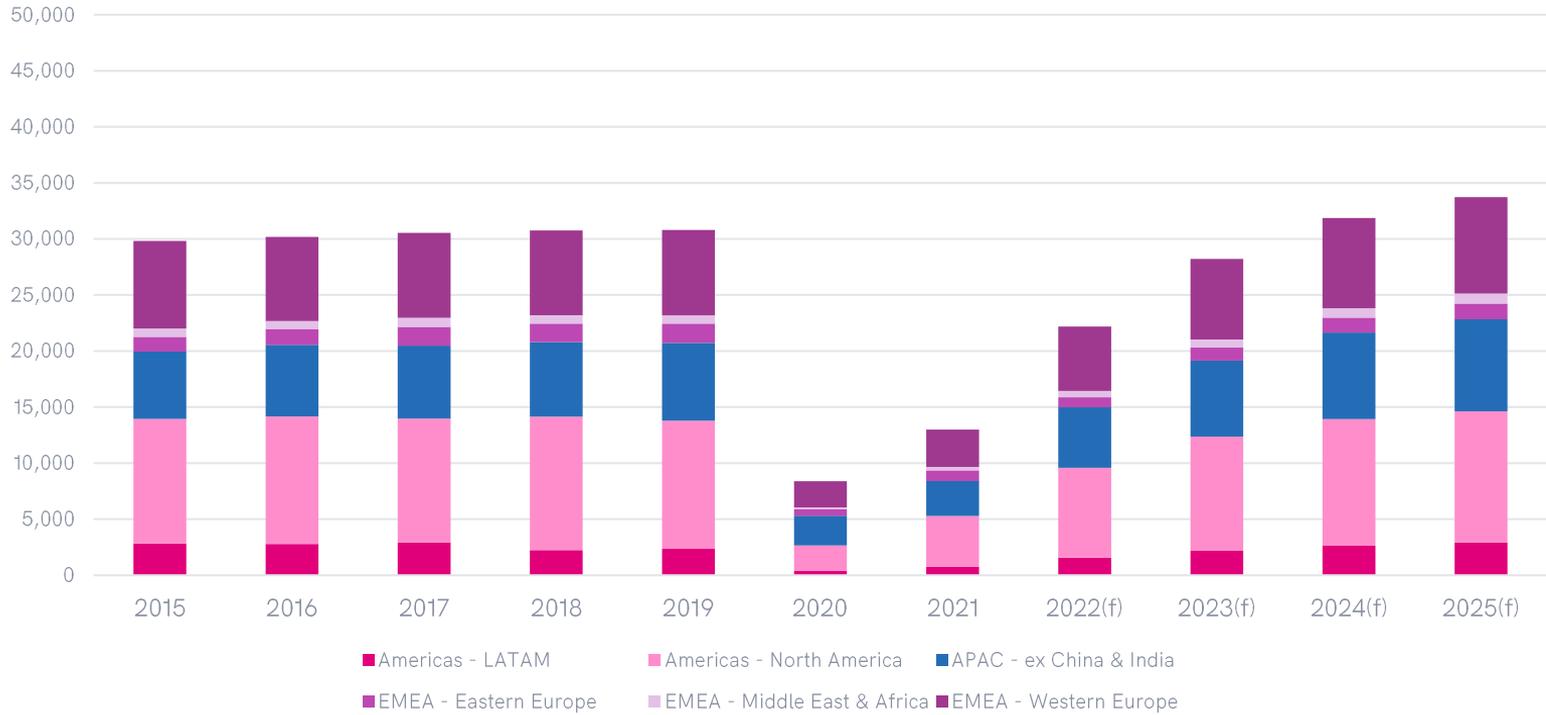
Q4 '22			Q1 '23			Q2 '23			Q3 '23		
October	November	December	January	February	March	April	May	June	July	August	Best of Rest

Projected Global Box Office CAGR of 2.4% (2019-2025)



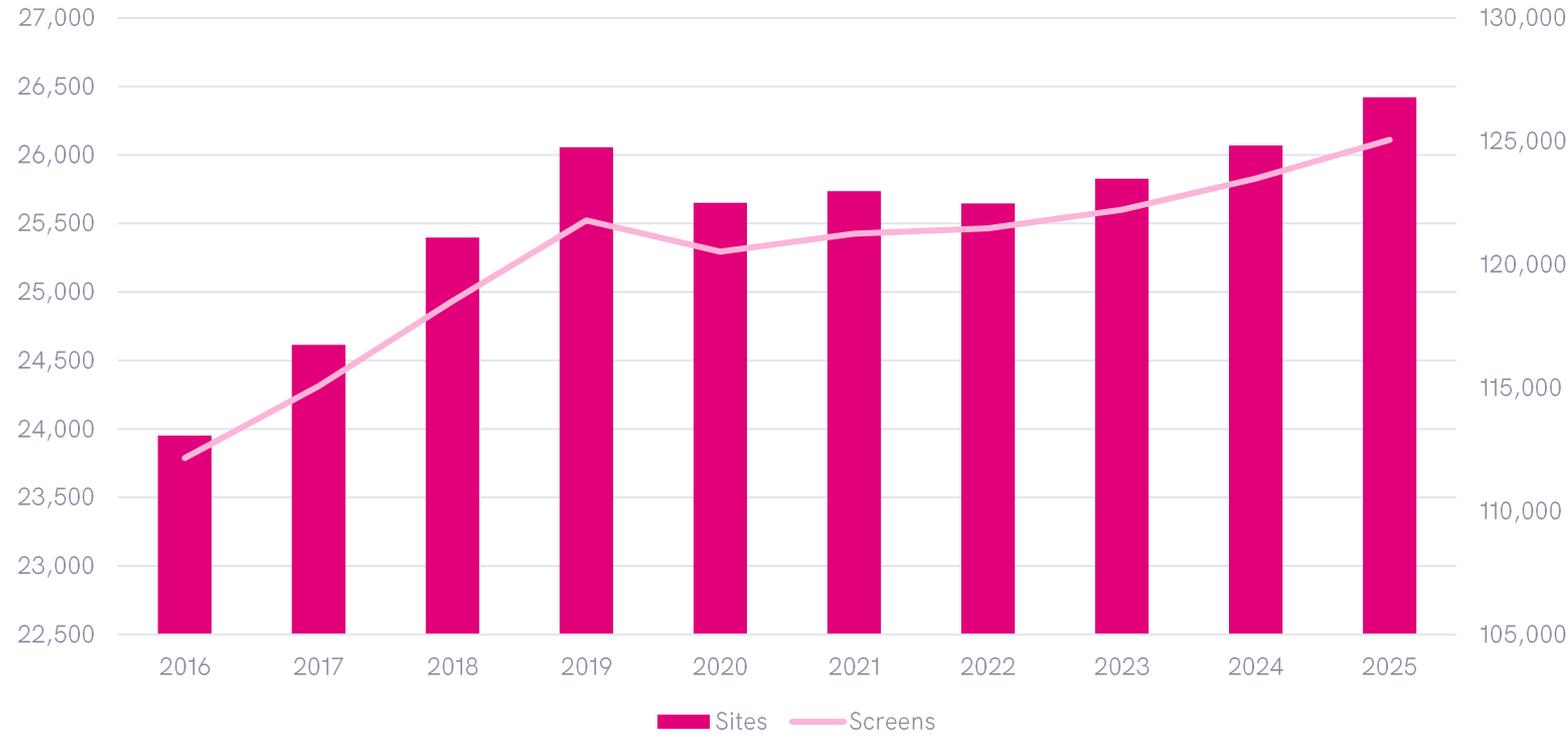
Source: Omdia

Projected Direct (excl India and China) Box Office CAGR of 1.8% (2019-2025)



Source: Omdia

Strong financial performance drives site and screen growth



Source: Omdia



The Cinema of the Future

Cinema Experience = Premises + Content + Service

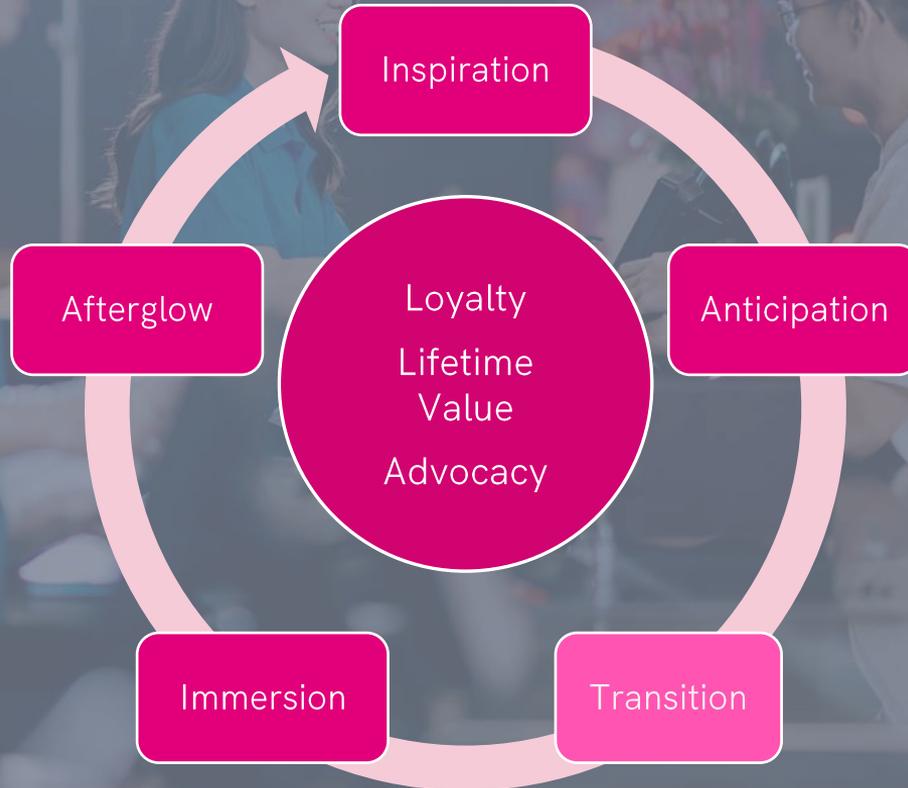




The moviegoer journey



The moviegoer journey







Platform – Moviegoers

Moviegoers have changed...



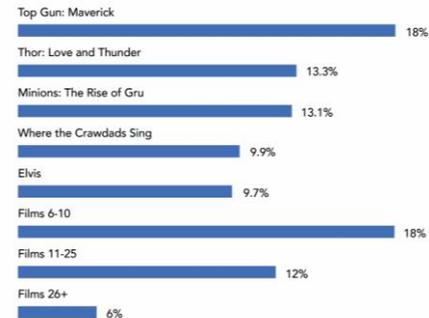
Moviegoer purchasing habits have changed

- Pre-pandemic **digital = 30%**
- Post-pandemic **digital = 60%** and rising



A diverse slate improves industry performance

- **35% of audiences in 3Q22** returned to see **non-blockbuster movies**
- Connecting moviegoers to **their ideal movie** has never been more important



... and so have the needs of cinemas

Cinemas have never been more data-rich and time poor

- How do they take the guesswork out of targeting?
- How do they drive attendance and spend?

Add Movies

Q Search movies/models

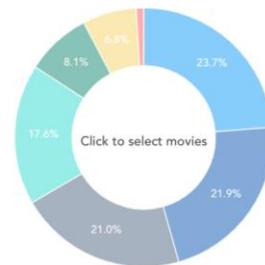
Clear List

Don't Worry Darling	155.4k
Mrs Harris Goes to Paris	143.1k
Ticket To Paradise	137.2k
Smile	115.1k
Moonage Daydream	53.3k
See How They Run	44.2k
The Handmaiden (Ah-ga-ssi)	6.0k

Use a model if you'd like to include a movie that doesn't have admission data

+ Create Model

This chart shows the most likely movie choice for each of your 654.4k moviegoers that have transacted at least once.



Don't Worry Darling



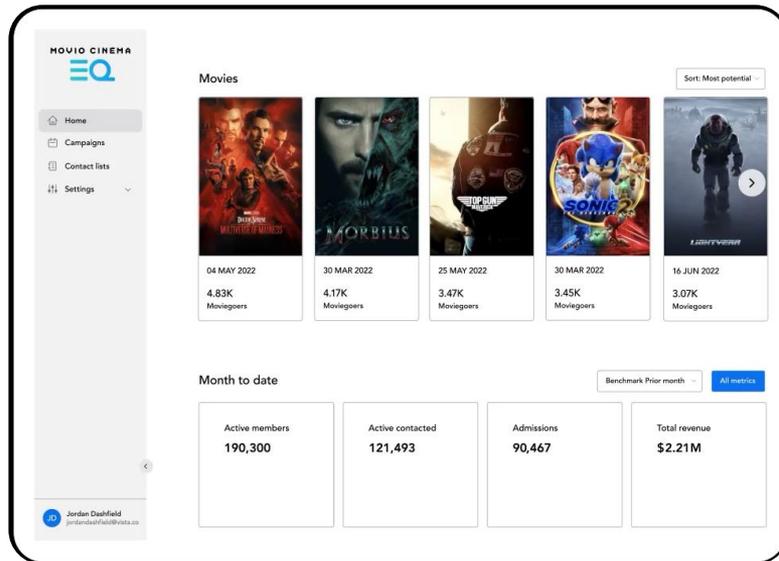
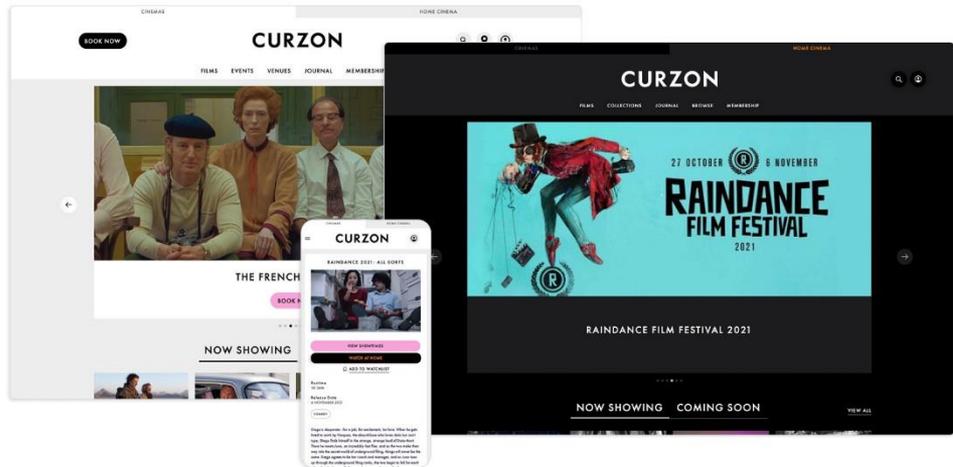
We're ready

Vista Digital

MOVIO CINEMA



FASTER. SIMPLER. SMARTER.



The platform powers a better moviegoer experience

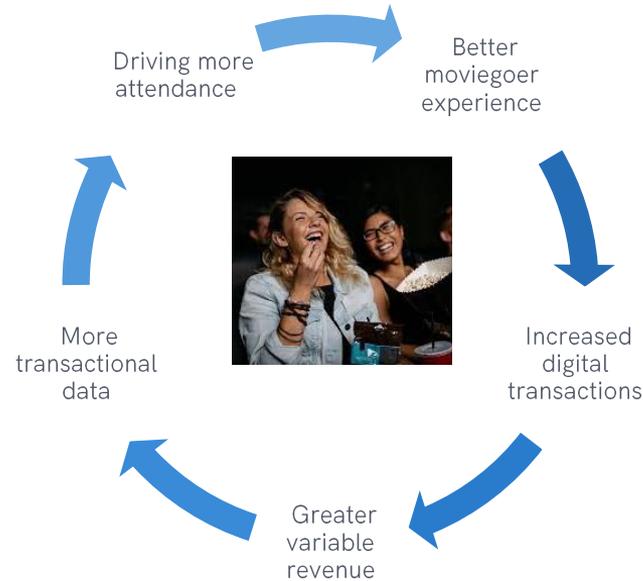
Old World

- Digital channels disrupted by high volumes
- Fragmented digital experience across multiple channels
- Static moviegoer journeys
- Over-reliance on email
- Limited personalisation

New World

- Improved & highly reliable cinema-branded digital channels
- Expanded amenities driven by data
- Customised journeys and omnichannel personalisation, across more channels
- An overall richer digital engagement via Vista Digital and Movio EQ

Moviegoers are at the centre of the strategy



- As we improve the moviegoer experience, we increase both our relevance and value to our clients
- Amplifying the opportunity for Vista Group



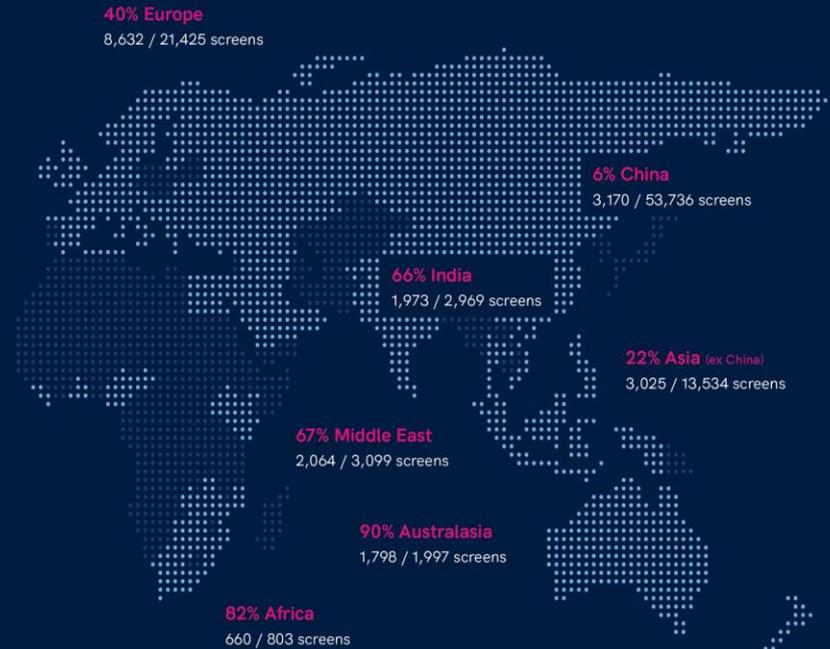
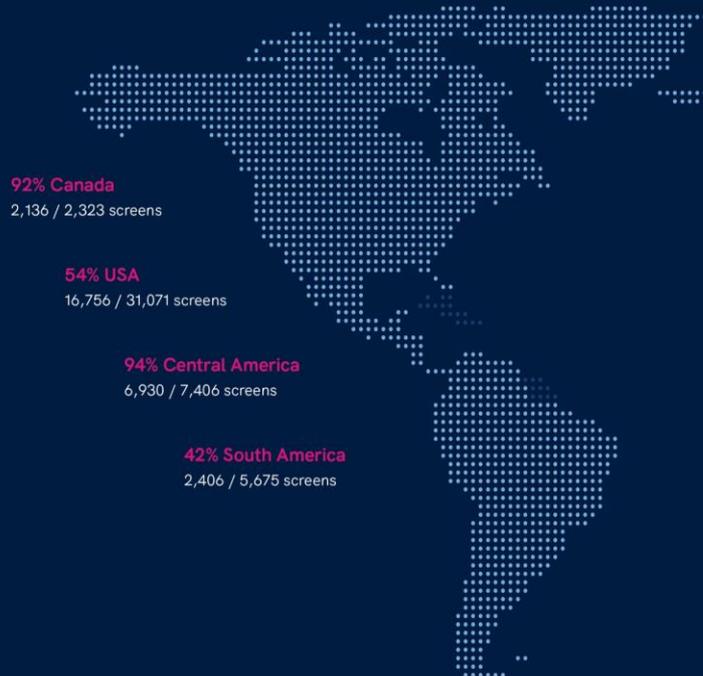
Platform - Clients

Cinema market share

Vista Cinema percentage of the world market for Cinema Exhibition
Companies with 20+ screens.

35%
worldwide

51%
excl. India + China



Our clients

ODEON



Harkins
THEATRES

HOYTS

EVENT
CINEMAS

cinépolis

CINEMARK™



 **cineworld**
CINEMAS




CINEPLEX

Platform Value Drivers

- Constrained labour
- Greater stability of digital channels
- Addressing demand for digital self-service
- Developing a deeper understanding of moviegoers
- Cybersecurity concerns
- Removal of costs and distraction

Overall, a greater focus on enhancing the moviegoer experience

Transfer of Responsibility

On premises



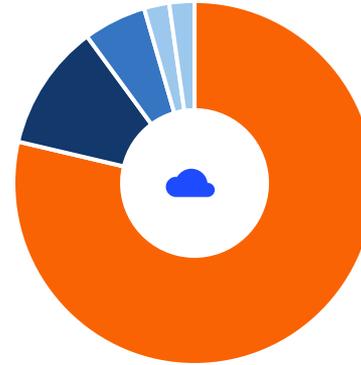
MOVIO



- Vista maintenance fees
- Movio fees
- Server Hardware
- Server Maintenance
- Cybersecurity and compliance
- Implementing Vista Upgrades
- Performance and reliability
- Network maintenance
- Database licensing fees
- Database maintenance
- Monitoring for outages
- User acceptance testing
- Staff training

Platform

Vista Cloud



- Subscription fees
- User acceptance testing
- Network maintenance
- User management
- Staff training

Share of Wallet, Unlocking Value

On premises



MOVIO



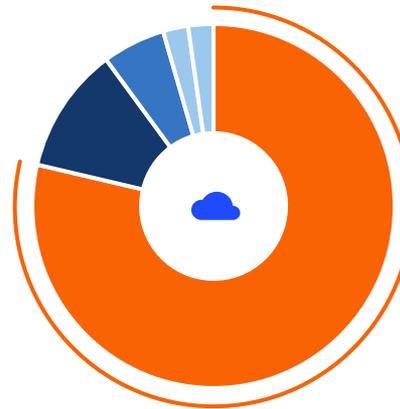
Perpetual License

Fixed annual maintenance

POS base, Movio and other additional modules a la carte

Platform

Vista Cloud

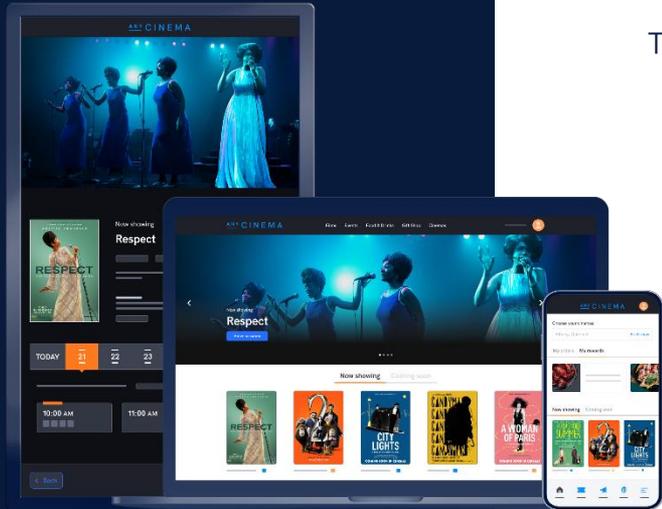


SaaS Fee

3-5+ times maintenance
Fees vary by up to 80% based on performance

Expansive core offered in two flavours, Cloud Digital & Cloud Cinema, Movio included

Transition to platform, when, not if



Adoption of our stable, extensible Cloud platform, in two flavours

- i. Cloud Digital & Movio EQ – fast track to unlock moviegoer value, e.g. modernising Digital channels
- ii. Cloud Cinema (aka Full Suite) – ‘Cloudifies’ entire estate, e.g. removes need for cinema server hardware

Targeting 1,600-2,400 sites on platform by 2025.



Platform - Technology



Maturing our technology stack
will generate operating leverage,
drive demand, unlock new
opportunities

25 years of
breadth and
depth in our
products

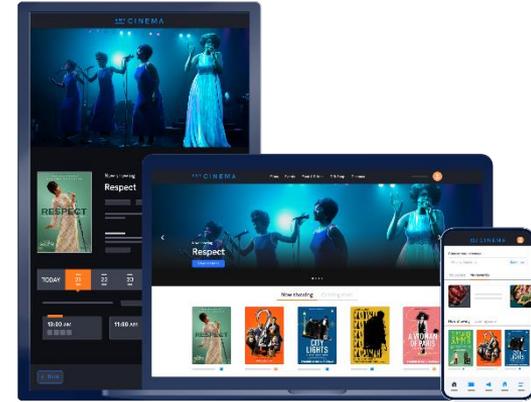
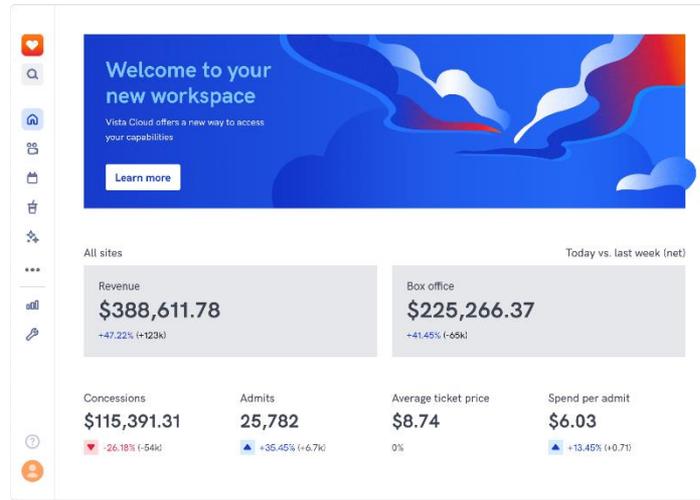
Vista is the core system of record for over half of the world's
enterprise cinemas (excl India and China)

- Estimated 1B tickets are handled every year
- 3.2B connections, and 40M active moviegoers
- We have homologation in 35 countries

This creates a significant technology and know-how moat



From trusted products, to trusted platform



- We've approached the Cloud technology journey progressively
- We still maintain a single code-base across on-prem and Cloud
- Vista Cloud today has outcome parity, ensuring broad market-fit and ease of adoption
- We have a highly functional, reliable, proven platform to build upon

Technology roadmap

Iteration 1 – Today

Single-tenant products
Multi-tenant infrastructure

- Outcome parity across Cloud suite
- Observability stack ensures reliability and recovery
- Dependence on operational person-power

Iteration 2 – 2023

Multi-tenant
Digital and Movio EQ

- App analytics for usage insight
- Offline support for advanced use cases
- Integration platform unlocks faster migration

Onboard Digital at scale
Cost-to-serve improves

Iteration 3 – 2024

Multi-tenant
All critical services

- Feature flagging enables safe, rapid innovation
- Marketplace - new revenue and extensibility pathways
- Movio EQ rollout enables rapid, ongoing innovation

Onboard full suite at scale
Rapid innovation unlocked
Cost-to-serve improves

Iteration 4 – 2025+

Multi-tenant
Entire platform

- End to end web experience
- Windows-free POS
- Game-changer cloud-only features

Continuous, rapid innovation
Cost-to-serve matures



People

People are at
the **heart** of
our success



Purpose led culture with global reach

- Passionate about our industry and the role we play
- Our team spans 12 countries; enables us to be close to our clients

Growth and retention

- Clear and deliberate strategy for growth
- Multi-pronged approach to recruitment
- Continual focus on engagement and retention

Tackling challenges head on

- Tight labour market
- Wage inflation



Financials

We're in great shape

... Worked solidly through the pandemic to put us in the best possible position.

Macro factors

- Cinema market
- Inflation/costs, recession
- Talent
- Technology cyber security

Micro factors

- Market size/share
- Price/costs
 - Taking price progressively
 - Short term wage headwinds
- Cash



The business model

Transition will drive...



Revenue Growth

- Adoption curve x price per site + growth opportunities (market size, share, expansion and value add)



Operating leverage

- Scale delivered sequentially, drives EBITDA and FCF

Liquidity and balance sheet

- No funding needed to achieve the market transition

Revenue growth

The importance of the adoption curve assumptions

Adoption

- 1,600-2,400 sites by 2025
- Variable based on market demand, delivery capacity

Price

- 3-5+ x Maintenance
- Circuit size
- Product Mix
- Market Conditions, ATP
- Greater exposure to Box Office Performance

'Fast and Furious' aspirations

Group ARR 2025

\$175-205m

ARR Growth 2022-2025

15-20% pa

Operating leverage

Builds momentum from 2023

1. Sales and Marketing, and General and Administration organisation in place at end 2022 for the full transition
2. Capitalised Development 'bump' \$25m-\$30m over 2023/24/25
 - Extra spend over two-three years
 - Then tracks back to 'new' normal of \$15m/yr
3. Cost to Serve run rate higher in 2023/24, then reduces quickly driven by adoption curve
 - Support structure in place by mid 2023

'Fast and Furious' aspirations

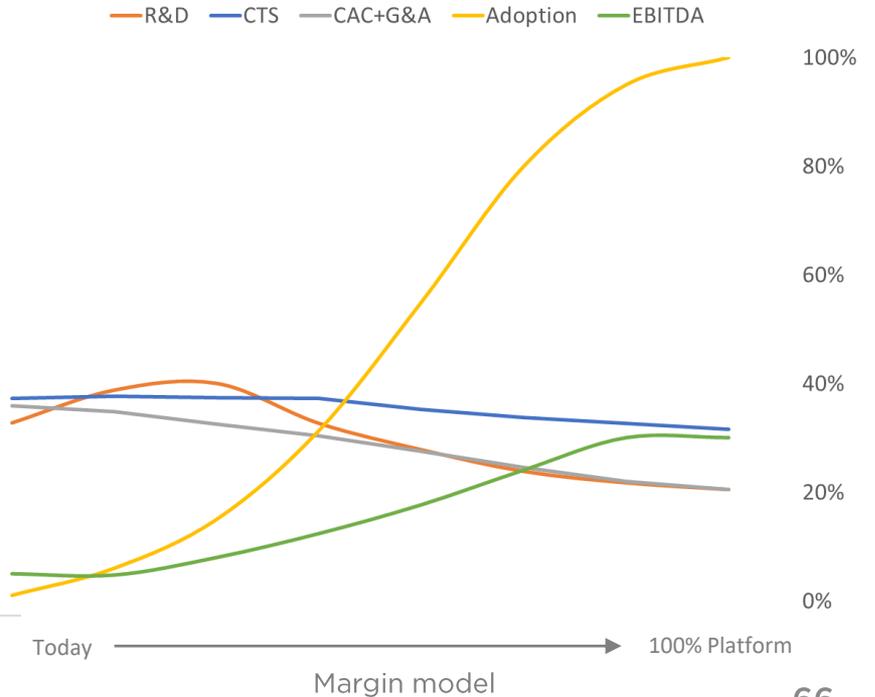
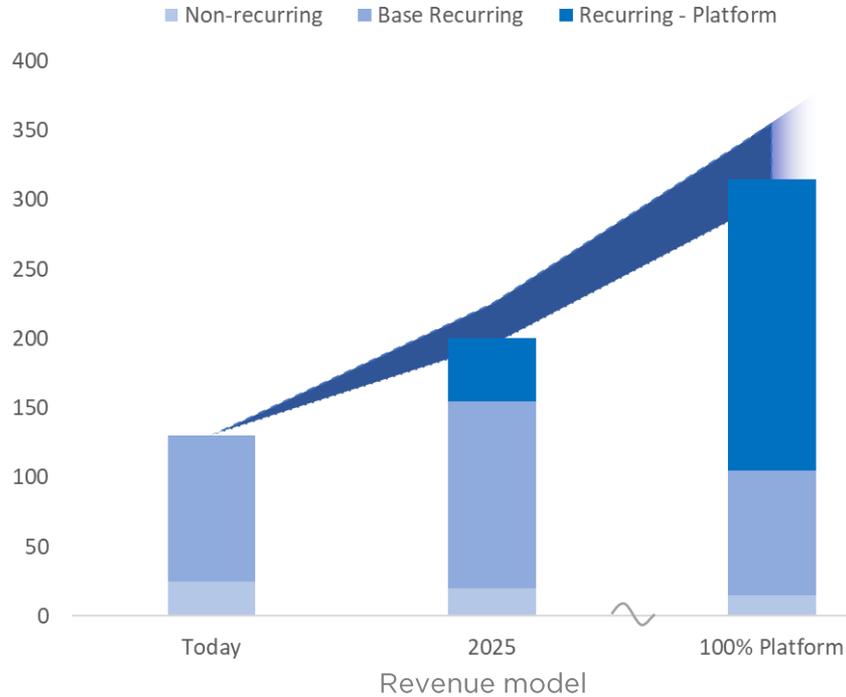
Dec 2025 EBITDA margin

15%+

100% platform EBITDA margin

25-30%+

'Fast and Furious' aspiration



Strong balance sheet/liquidity

... to execute on strategic plans

Cash

- We do not require any cash to execute on our strategic growth plans
- Improved receivables management

Capital Allocation

- Short term capex, rolls off from early 2025
- FCF for growth or dividends from 2025

Expected Cash Burn 2023/2024

\$25m

Aspiration summary

... to inflection point and beyond.

	Previously indicated/ reported	December 2025	100% Platform
Sites	5,100 (on premises)	1,600-2,400 (platform, rest on premises)	6,000+ (platform)
Market share	51%	-	60%+
Platform multiple of maintenance	1.5-2.5	-	3-5+
Group ARR	\$112m June 2022	\$175-205m	\$300m+
Group EBITDA margin		15%+	25-30%

Transition delivers significant and sustainable returns

No additional funding required

Capex 'bump' of \$25-30m in 2023-25

FCF for investment or dividends from 2025



Summary

I believe we have shown you today that...

Cinema of the future

- Cinema continues to show great strength – with upside to come ✓
- Our platform delivers the best experience in the industry ✓
- Client interest is strong, and our value proposition is clear ✓
- Our platform enables us to significantly increase our total addressable market (TAM) ✓
- We see an inflection point in investment in late 2024 delivering free cash flow from 2025 ✓



Questions



VISTA
GROUP