



Market Announcement

24 August 2017, Vista Group International Limited, Auckland, New Zealand

Vista Group Announces 23% Increase in Revenue and 59% Increase in Before-tax profits over 1H2016

Highlights

- Consolidated Vista Group revenue of \$50.1m represents growth over 1H2016 of 23%.
- EBITDA of \$10.3m for the first half of FY2017 represents an increase over 1H2016 of \$4.4m or 74%.
- Profit before tax of \$6.6m for the first half of FY2017 represents an increase over 1H2016 of \$2.5m or 59%.
- Strong cashflow performance with operating cashflow of \$6.4m, representing an increase of \$4.6m over the prior year. Available cash balance is \$23.3m, up \$10.1m over 1H2016 and \$1.9m from the year-end FY2016 position.
- Associate company Vista China performs in line with expectations during 1H2017.
- Continued investment in Vista Group product suite for future growth including moving the Vista Cinema product to the cloud, the Stardust social application for movie goers and the movieXchange platform.
- Movio Media gaining momentum with significant contract closure during the second quarter. (Refer to Epsilon and Fox market announcements.)
- Powster and MACCS established their US-based entities for expansion into the key US market.
- Headcount numbers (including Vista China) increased 93 (17.5%) to 625 to support business growth.
- Board of Directors announce a fully imputed interim dividend of 2.4 cents per share for 1H2017.
- Payment of the fully imputed FY2016 final dividend of 4.61 cents per share.

Operating Metrics

- Recurring revenue of \$29.4m increased 27% over 1H2016, and now represents 59% of total revenue.
- Non-recurring license revenue in 1H2017 \$9.1m, consistent with 1H2016.
- Positive operating cash flow of \$6.4m and continuing strong cash position.
- Vista Cinema cumulative site numbers increased by 258 (plus 48 in China totaling 306 in period) driving recurring maintenance revenue and additional module upsell opportunities.
- New Movio media contracts will begin to impact revenue materially in 2H2017 (Refer to Epsilon and Fox market announcements.)
- On a constant currency basis with 1H2016 reported revenue would have been circa \$2.6m higher.



Operational and Product Overview

Vista Cinema delivered another fast start to the year with a total of 306 new sites and revenue growth of 29% over 1H2016.

Market share remains strong and expansion opportunities to new countries (Brazil, Austria, Japan and Italy) are well progressed. The investment in Senda, our Central and South American reseller, to create Vista Latin America post balance date is a significant strategic move for cinema exhibition in this important region.

Veezi increased contracted site numbers increase by 57 to 589 with the opportunities in Sweden and France expected to build momentum in the second half.

Movio Cinema increased contracted customers by 20% to 61 and the US market share of contracted screens has grown to 56%.

With online data capture the active moviegoer database is being expanded beyond loyalty members. Email growth is continuing with SMS expanding at a faster rate. The investment in data science has produced a new module (Movie Insights) which adds value and revenue growth as it is adopted by customers.

Movio Media activity with existing customers has been strong and the new deals with Epsilon and Fox will grow revenue in the 2nd half. The opportunity in the digital marketing space is providing engagement with new prospects.

Maccs successfully completed the Warner Bros. implementation in February of the core distribution software and closed new deals to gain coverage of Finland and Switzerland for the MaccsBox product to be official collector of box office numbers. There is a focus on new customer opportunities to expand market share internationally and within the domestic US market.

Powster opened its Los Angeles-based office and studio within Vista Group's premises. "Trailerred", a new web destination that enables moviegoers to consume trailers in a new way, was launched at CineEurope in June. Focus continues on providing data insights to users on web activity and advertising effectiveness, and integration to social media platforms for messenger and follow-up services.

Cinema Intelligence has implementations underway in three territories and has been strengthening its integration to Vista Cinema modules. Strong focus on building the sales pipeline.

Flicks produced a solid result and has a focus to build the business beyond its current base. Strategies to build the Australian site visitation levels are being executed including building a sales team to grow revenues. Launched "Your Cinema" as a website offering to smaller cinemas with 17 customers already on board.



China Transaction

- Equity accounted result recognised within Vista Group for the Vista China associate company was a \$1.2m loss.
- Cash received to date is ¥97.0m with ¥50.0m of equity purchase outstanding.
- Second tranche of localisation fee ¥30.0m due in 2H2017.

Operationally the China business has performed well. It has established an office in Beijing and grown staff numbers to 45. For Vista Cinema it has installed 48 new sites and continued to build a solid third-party revenue stream. There is a focus to build operations beyond Vista Cinema and they have built an impressive pipeline from new and existing customers. The access to cinema data reporting across China that has been established for Numero and Movio is an important step.

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