

Interim Results

27 August 2021



Vista Group
International
Limited

2021

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Unless otherwise stated, all information in this presentation is expressed at the date of this presentation and all currency amounts are in NZ dollars.

Agenda

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03 **Operational Highlights** Kimbal Riley, Group Chief Executive

04 **Outlook**

05 **Q+A**



Enhancing the
moviegoer experience

Vista Group summary

Vista Cloud launch expands horizon for Vista Group

- Moviegoing is back!
- Vista Cloud launched on target
- Momentum growing in studio segment
- Established a development hub in Mexico
- Activity levels for Movio Cinema reaching pre-pandemic levels
- Balance sheet strong
- Positive operating cashflow and positive EBITDA¹ for 1st Half
- Solid half year revenue at \$45m
- Cash burn considerably lower than expected
- Continued focus on caring for our people worldwide

1. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, "other gains and losses" (see section 4 of the Interim Report) and share of equity accounted results from associates and joint ventures.



Financial results

Financials

For six months ended 30 June 2021

Total Revenue

\$45m +0%

Recurring Revenue¹

\$37m +13%

SaaS Revenue¹

\$12m +5%

EBITDA²

\$6m +\$13m

Operating Cashflow

\$1m

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2 of the Interim Report.

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Trading performance

NZ\$m (Six Months Ended – Unaudited)	30 Jun 2021	30 Jun 2020	% Change
Revenue	44.9	44.8	+0%
Expenses	(38.6)	(52.7)	-27%
Foreign currency gains	0.1	1.4	
EBITDA¹	6.4	(6.5)	
Depreciation and amortisation	(7.4)	(8.2)	-10%
Net finance costs	(0.8)	(1.1)	
Other (incl. impairment, restructure and share of associates)	(0.3)	(32.1)	
Loss before tax	(2.1)	(47.9)	-96%
Net loss attributable to Vista Group shareholders	(2.8)	(42.4)	

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- Revenue flat. Up 7% adjusting for FX
- 2021 Expenses includes a non-cash credit for expected credit loss of \$3.7m, compared to a non-cash expense of \$5.8m in the first half of 2020
- Expected Credit Loss reduction reflects improved state of receivables book

Last 18 months compared

NZ\$m (Six Months – Unaudited)	1H20	% Change	2H20	% Change	1H21
Recurring Revenue	32.9	-1%	32.6	+14%	37.3
Non-Recurring Revenue	11.9	-15%	10.1	-25%	7.6
Revenue	44.8	-5%	42.7	+5%	44.9
Expenses (excl ECL ²)	(46.9)	-2%	(45.9)	-8%	(42.3)
ECL ² (expense)/credit	(5.8)		(1.1)		3.7
Foreign exchange gains/(losses)	1.4		(0.6)		0.1
EBITDA¹	(6.5)		(4.9)		6.4
<i>EBITDA¹ excl ECL²</i>	<i>(0.7)</i>		<i>(3.8)</i>		<i>2.7</i>

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2. ECL is the non-cash Expected Credit Loss provision.

- Good recurring revenue growth
- Good underlying cost management
- First half 2021 includes STI/LTI \$4.6m vs zero in 1H20, and a \$2.6m PPP (US wage support deferred) credit
- 1H21 expenses run rate \$45m, adjusting for PPP credit
- Expecting increases in headcount costs (people and salaries), marketing and hosting in second half – linked to market recovery
- Adverse swing in FX due to higher NZD v USD

Operating segments

30 June 2021

NZ\$m (Unaudited)	Cinema	Movio	AGC	Corporate	Total
Revenue	31.5	6.5	6.9	-	44.9
EBITDA ¹	10.9	0.8	0.0	(5.3)	6.4
EBITDA ¹ % of revenue	35%	12%	0%		14%
<i>EBITDA¹ excl ECL²</i>	7.5	0.6	(0.1)	(5.3)	2.7

30 June 2020

NZ\$m (Unaudited)	Cinema	Movio	AGC	Corporate	Total
Revenue	29.7	8.0	7.1	-	44.8
EBITDA ¹	(2.4)	(0.2)	(0.1)	(3.8)	(6.5)
EBITDA ¹ % of revenue	-8%	-3%	-1%		-15%
<i>EBITDA¹ excl ECL²</i>	2.6	0.5	0.0	(3.8)	(0.7)
Revenue growth	6%	-19%	-3%		0%

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- Strong Cinema recurring revenue
- Movio good recurring Cinema revenues, lower non-recurring and Research revenue
- Numero • Maccs up 12%, Flicks up 25%
- Powster down 26%
- Corporate now reflects the costs of wider Group functions – People and Culture, Finance, Legal and Executive Management

Financial position

NZ\$m (Unaudited)	30 Jun 2021	31 Dec 2020	% Change
Cash	58.1	67.1	-13%
Receivables and other current assets	43.1	39.0	11%
Non-current assets	149.7	145.9	3%
Current liabilities	41.0	42.8	-4%
Non-current liabilities	44.7	46.1	-3%
Net assets / total equity	165.2	163.1	1%

- Strong balance sheet maintained
- Good cash position \$58.1m
- Receivables up due to increased billing and a reduction in expected credit loss provisions
- Drawn debt and facilities unchanged
- Aged debtors reducing but still stubborn, >90 days = 55%
- 28% provisioning against receivables down from 36% at 31 Dec 2020

Cashflow

NZ\$m (Six Months Ended – Unaudited)	30 Jun 2021	30 Jun 2020	% Change
Receipts from customers	45.6	57.6	-21%
Payments to suppliers & employees	(43.1)	(49.3)	-13%
Tax & interest	(2.4)	0.8	
COVID-19 related wage subsidies	3.1	3.8	
COVID-19 related tax deferrals	(2.2)	3.8	
Net cash inflow from operating activities	1.0	16.7	-94%
Investments in internally generated software and other intangibles	(5.8)	(7.5)	-23%
Other investing activities	(0.5)	(0.5)	
Cash flow from financing activities	(1.0)	66.0	
COVID-19 related support (US PPP loan)	(2.8)	3.1	
Net movement in cash	(9.1)	77.8	
Foreign exchange differences	0.1	(1.3)	
Cash balance	58.1	96.0	-39%

- Cash burn of \$1.6m/month in first half, well below \$3–4m expected range
- Strong collections in final two months resulted in break even cash flow
- Investment in internally generated software focus on SaaS, total spend lower than historical average



Operational highlights

Key Group metrics

As at 30 June 2021 (with comparative to 31 December 2020)

Sites on Vista Cloud

-

Sites on Vista Digital

142 (1)

Madex Campaigns (Movio)

2 (1)

Movio Connections

2.3b (2.3b)¹

Distributors on mica (Maccs)

11 (6)

% of Cinemas Open US:EU

79% : 80%

1. Trailing 12 months total number of emails, SMS, and push notifications sent to moviegoers by Movio Cinema exhibitors

Vista Cinema

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

- Stronger than forecast Box Office returns
- Blockbuster releases on schedule with backlog of content expected beyond 2022
- Cinema re-openings requiring operational and technology support
- Small increment of new customers and new sites for existing customers
- Some closures becoming apparent as circuits re-open – approx. 400 sites globally
- Enterprise market share (excluding China) estimated to remain at 51%
- Veezi ARR up with box office, now reporting 'billed' sites rather than contracted sites
- Vista Cloud launched at CinemaCon on 25 August
- Establishing a development hub in Mexico

Revenue

\$31.5m

+6% vs 2020

EBITDA¹

\$10.9m

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Vista Cinema site count¹

Market	Channel	31 Dec 2020	New Sites	Closures / Losses	30 Jun 2021
Enterprise	Direct	5,499	40	(414)	5,125
	India	1,496	85	(140)	1,441
	China	572	-	(235)	337
	Total Enterprise	7,567	125	(789)	6,903
Independent	Veezi (billed)	739	113	-	852
	Veezi China	141	12	-	153
TOTAL		8,447	250	(789)	7,908
<i>Veezi (active)</i>		<i>1,035</i>	<i>58</i>	<i>-36</i>	<i>1,057</i>

1. Enterprise closures - 3% of base casualties of pandemic, 4% of base site closures

2. Ex China

Enterprise Market Share²

51%

Enterprise Sites (Direct)

-374 net

Vista Cloud is launched



What we've achieved in 2021 to date

- Technology platform established
- Increased use of Vista Digital (web)
- Commercial model established
- Cloud-focused useability delivered

Where we are now

- Vista Cloud launched at CinemaCon
- Pace of development continuing to accelerate
- Distinct branding and positioning for Vista Cloud cloud.vista.co

What's coming in the rest of 2021

- Select customers expected to be live in H2
- Availability of Vista Digital (mobile, kiosk)
- Expansion of development capacity to increase velocity

Movio

Global leader in data-driven marketing, providing products and services to exhibitors, studios and film advertising specialists

Movio Cinema

- Continued strong performance for Movio Cinema, highlighted by enterprise agreement with Vue in EMEA, and a strong trend of renewals and extensions
- Connections (email and SMS) in H1 2021 at 96% of 2019 comparison
- Connected moviegoers (people who've been to the movies in the last 12 months) doubled in last two months

Movio Research

- Contracts with all key customer restarted in May
- All customers migrated to Research 2.0 platform

Movio Media

- Modest restart in digital targeting as data flows – with 9 campaigns executed
- Madex trials continue – strong pipeline of solid interest in North America and EMEA

Revenue

\$6.5m

-19% vs 2020

EBITDA²

\$0.8m

1. Madex is the market brand for the Moviegoer Audience Data Exchange.

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Additional Group Companies

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Numero • Maccs revenue up 12% for the half
- 5 new customers signed up to mica, now total 11
- Numero continues to expand geographic reach

Flicks

Movie and cinema review and showtime guide

- Revenue up 25%
- In expansion mode – growth in Australia and establishment in UK
- What to watch and where to watch it

Powster

World leading film marketing products

- Revenue down 26%, creative revenue growth subdued
- Showtimes volumes expected to trend back to pre-pandemic levels in 2nd half

Revenue

\$6.9m

-3% vs 2020

EBITDA¹

\$0.0m

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Associate companies

Vista China: Operating Performance

- 1H21 revenue up to \$7.1m vs \$3.3m in 1H20
- EBITDA¹ loss reduced to \$0.6m, down from \$3.7m in 1H20
- Important new customer wins in Red Star and Perfect World – approx. 100 sites
- Modest Veezi site growth

Stardust

- Ceased operations with closure costs paid from existing cash reserves

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China film industry update

- First half box office RMB27B – down 12% on same period in 2019
- Most recent forecast for full year – RMB55B – down 7.4% on 2019
- Monthly box office fluctuating – national holidays deliver peaks
- Strong performance from local – patriotic – content
- Cinema site counts challenging to verify



Outlook

Industry outlook

- Blockbusters are back – and the content pipeline is very solid into 2022 and beyond
- Key markets near to fully open – globally 80%+ open
- Theatrical window changes stabilising on 35-45 days – no significant impact on box office to this point
- Cinema remains critical to the wider film industry

Vista Group outlook

- Disciplined financial management has enabled Vista Group to welcome the rebound of the film industry in an excellent position
- Vista Group continues to deliver world class innovation, highlighted by the launch of Vista Cloud this month
- Integration of Maccs and Numero is bearing fruit – growth over 2019 and 2020 – underpinned by positive EBITDA¹
- Strong balance sheet supports active review of potential investment opportunities
- Assuming the current level of cinema opening is sustained we expect revenue for FY 2021 to be in the range of \$95m - \$100m
- Positive EBITDA¹ projected for the second half of 2021 and good recovery in 2022
- Expecting to be modestly cash flow positive in the second half of 2021, with good potential to recover aged debt

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Questions



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