



2020 HALF YEAR RESULTS

27 August 2020

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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



VISTA GROUP SUMMARY

KIMBAL RILEY

GROUP CHIEF EXECUTIVE



FINANCIAL RESULTS

MATT CAWTE

CHIEF FINANCIAL OFFICER



OPERATIONAL HIGHLIGHTS

KIMBAL RILEY

GROUP CHIEF EXECUTIVE



WILL PALMER

CHIEF EXECUTIVE, MOVIO

OUTLOOK

Q+A



Enhancing the Moviegoer Experience

VISTA GROUP 1ST HALF SUMMARY



Resilient Vista Navigates Pandemic in Strong Position

- Group balance sheet in good shape, with \$96m of cash at June 30
- Q1 in-line with our guidance on growth (13-18%)
- Q2 cash collections exceeded expectations despite almost all cinemas being closed
- Operating cash flow in H1 up 123% over PCP
- Acted early, acted decisively (details on next slide)
- Focused on supporting our people
- Focused on supporting our customers - relationships strengthened – underscores relevance to our customers
- Innovation delivered solutions to customers for post-COVID world
- Cinema re-opening now widespread on all continents – with operating restrictions
- While COVID-19 had considerable impact on customers we have seen limited 'permanent' customer consequences to date.

PANDEMIC - ACTED EARLY, ACTED DECISIVELY



- Successfully completed a NZD\$62.4 million capital raise, with excellent support from existing institutional and retail shareholders
- Directors, CEO and Senior Leadership team voluntarily reduced their remuneration, plus over 80% of Vista Group's employees volunteered to work reduced hours for reduced pay
- Secured government relief in New Zealand, Australia, the USA, the UK and the Netherlands
- Cancelled the 2019 final dividend
- Terminated the agreement to acquire a further 14.5% stake in Vista China
- Reviewed the carrying values of all Group companies resulting in non-cash impairment charges
- Strong cost reduction achieved
 - Implemented hiring and salary freezes and terminated engagement with all non-essential contracting resources
 - Restructured core businesses leading to annualised cost savings of \$15m (top end of target \$12-15m range).

FINANCIAL RESULTS



FINANCIAL HIGHLIGHTS



TOTAL REVENUE

\$45m

-34%

RECURRING REVENUE

\$33m

-21%

EBITDA¹

-\$7m

n/a

OPERATING PROFIT

-\$15m

n/a

OPERATING CASHFLOW

\$17m

+123%

¹ EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associate and joint ventures.

TRADING PERFORMANCE



- EBITDA¹ includes \$7.6m non-cash provision for revenue credit risk and expected credit loss
- Recurring revenue down 21%
- Non-recurring revenue down 54%
- \$28.5m non-cash impairment charges on investments, associates, intangibles and leased assets
- No short or long-term incentive costs in first half.

¹EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associate and joint ventures.

NZ\$M (Six Months Ended – Unaudited)	30 Jun 2020	30 Jun 2019	% Change
Revenue	44.8	67.5	-34%
Expenses	(52.7)	(55.7)	-5%
Foreign exchange gains	1.4	-	
EBITDA¹	(6.5)	11.8	-155%
Depreciation and amortisation	(8.2)	(3.8)	116%
OPERATING (LOSS) / PROFIT	(14.7)	8.0	-284%
Net finance costs	(1.1)	(0.4)	
Other (incl. impairment, restructure and share of associates)	(32.1)	(1.4)	
(LOSS) / PROFIT BEFORE TAX	(47.9)	6.2	
Net (loss) / profit attributable to Vista Group Shareholders	(42.4)	4.0	

COVID-19 AND REVENUE



Revenue

- Recurring revenue down 21%
 - Product revenue down \$2.1m
 - Maintenance revenue down \$5.0m
- Non-recurring revenue down 54%
 - Product revenue down \$11.9m (Cinema \$10.4m)
 - Services and Development revenue down \$1.8m
- Revenue provision for credit risk of \$1.8m (in addition to expected credit loss of \$5.8m in expenses).

COVID-19 AND COSTS



Costs

- Salary sacrifice by Board, executives, and staff 20-30% through Q2
- Wage subsidies in H1 \$6m within costs (NZ, Australia, USA, UK and Netherlands)
- Non-salary costs down \$3m (primarily marketing and travel)
- Re-organisation savings in salaries annualised \$15m (top end of \$12-15m range).

Non-cash items in EBITDA

- \$5.8m expected credit loss (ECL) increase.

Non-cash impairment charges outside EBITDA – total \$28.5m

- \$11.6m subsidiaries (Maccs \$7.1m, Numero \$2.8m, Powster \$1.3m, Flicks \$0.4m)
- \$13.7m Vista China
- \$1.3m Stardust
- \$1.9m internal development and lease assets.

OPERATING SEGMENTS



- Core revenue (Cinema and Movio) significantly impacted by COVID-19
- Cinema non-recurring revenue (primarily license sales) down 57%
- Movio recurring revenue holds up well
- Maccs resilient – down only 7%.

30 June 2020

NZ\$M	Cinema	Movio	Additional Group Companies	Corporate	Total
Revenue	28.6	8.0	7.1	1.1	44.8
EBITDA ¹	(3.5)	(0.2)	(0.1)	(2.7)	(6.5)
EBITDA % of revenue	-12%	-3%	-1%		-15%

30 June 2019

NZ\$M	Cinema	Movio	Additional Group Companies	Corporate	Total
Revenue	47.1	11.6	7.8	1.0	67.5
EBITDA ¹	14.7	2.3	0.6	(5.8)	11.8
EBITDA % of revenue	31%	20%	8%		17%

Revenue growth

-39%

-29%²

-9%

-34%

¹EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation and amortisation, acquisition expenses, capital gains/losses, impairment charges, restructuring costs and share of equity accounted results from associate and joint ventures.

²Excludes intercompany eliminations in prior period.

FINANCIAL POSITION



- Strong balance sheet maintained
- Good cash position \$96m
- Raised \$62.4m in placement and rights issue
- Reduced receivables due to lower billing in Q2 better than expected collections and increased credit risk and expected credit loss provisions
- Non-current assets down due to non-cash impairment charges
- Liabilities up in payables and Group borrowings.

NZ\$M (For the Period Ended - Unaudited)	30 Jun 2020	31 Dec 2019	% Change
Cash	96.0	19.5	392%
Other Current Assets	37.8	58.2	-35%
Non-Current Assets	142.2	165.9	-14%
Current liabilities	50.4	44.5	13%
Non-Current liabilities	42.8	35.6	20%
NET ASSETS / TOTAL EQUITY	182.8	163.5	12%

COVID-19 AND BALANCE SHEET



Equity Raise

- Raised \$62.4m in placement and rights issue
- Well supported by existing retail and institutional holders.

Debt

- Secured increased bank facility support
- Drew down funds, held over at 30 June to increase cash and provide flexibility.

Cash and Debtors

- Cash of \$96m
- Debtors lower due to reduced invoicing and better than anticipated collections
- >40% of debtors outstanding is > 90 days and expect some further aging until full re-opening
- Provisions for collectability made.

COVID-19 AND CUSTOMERS



Customers

- Proving resilient with no material customer in liquidation or insolvency
- Circa 75 marginal cinema sites closed by customers
- Supported Vista with better than expected payment of invoices
- Strong uptake of new COVID related innovation – social distance seating etc.

CASH FLOW



- Strong Q1 and better than forecast Q2 collections
- Working capital down versus prior year
- COVID related cash support from local and international governments – including timing differences
- Investment in internally generated software lower than forecast with reduced activity, focus on SaaS and reduction in contractors and outsourced partners
- Raised \$62.4m in placement and rights issue
- Dividend payments have been suspended
- Reduced cash draw.

NZ\$M (Six Months Ended – Unaudited)	30 Jun 2020	30 Jun 2019	% Change
Receipts from customers	57.6	74.4	-23%
Payments to suppliers & staff	(49.3)	(60.5)	19%
Tax & interest	0.8	(6.4)	
Operating COVID related wage subsidies (NZ, Australia, UK, the Netherlands)	3.8	-	
Operating COVID related tax deferrals	3.8	-	
Cash flow from operating activities	16.7	7.5	123%
Investments in internally generated software and other intangibles	(7.5)	(5.8)	-29%
Other investing activities	(0.5)	(5.2)	
Cash flow from financing activities	66.0	(6.1)	
Financing COVID related support (US)	3.1	-	
NET MOVEMENT IN CASH HELD	77.8	(9.6)	
Foreign exchange differences	(1.3)	-	
CASH BALANCE	96.0	24.8	287%

OPERATIONAL HIGHLIGHTS



CINEMA SEGMENT



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

- Cinema reopening kit produced – innovation continues.
- Odeon UK (120 sites of a total of 350 sites in Europe) rollout proceeding
- Most customers not open March-July due to COVID-19
- Protected recurring revenue streams (primarily Maintenance)
- New customers in EMEA – approx. 50 sites being implemented
- Enterprise market share (excluding China) estimated to remain at 51% – net of additions and closures (see table)
- Veezi small net gain in sites (after suspensions and closures)
- Limited new license and project sales.

\$28.6M REVENUE
GROWTH -39%

-\$3.5m EBITDA

Site Count Enterprise (non-China)	31 Dec 2019	New Sites	Closures / Losses	30 Jun 2020
Rest of the World	5,462	42	(79)	5,425
India	1,496	72	-	1,568
TOTAL (non-China)	6,958	114	(79)	6,993

Site Count Veezi (non-China)	31 Dec 2019	New Sites	Closures / Losses	30 Jun 2020
Veezi Sites	974	95	(64)	1,005

UPDATE ON VISTA CINEMA SAAS TRANSFORMATION



**Consulted our
customer base**

How does the
future look? Has
it changed?

Reviewed Priorities

Digital
+
Operational

Modified Timelines

Digital
H1 2021

Operational
2022

On Budget

Digital = moviegoer experience (web, mobile, kiosk)

Operational = infrastructure and exhibitor management suite

UPDATE ON VISTA CINEMA SAAS TRANSFORMATION



- Project is on track and progressing well
- Based on the impact of COVID-19 and research on customers priorities (spending priorities) we have brought forward some elements of the project to align to these priorities
- This will provide some increased opportunity of revenue and bring many clients into the SaaS environment in a staged approach
- Focus on helping customer with business opportunities (Digital) such as kiosk, mobile, ticketing, staffing efficiencies
- Maintaining overall plan for back office (Operational) support
- Timeline extended by 6-9 months - but overall cost estimates remain on original spend estimates.



GLOBAL LEADER IN DATA-DRIVEN MARKETING, PROVIDING PRODUCTS AND SERVICES TO EXHIBITORS, STUDIOS AND FILM ADVERTISING SPECIALISTS.



\$8.0M

Core Revenue
-29% vs 2019H1

-\$0.2M

EBITDA

1.3b

Connections sent
(emails, SMS, push),
down 2% on 2019H1

-14%

Research revenue
2020H1 vs 2019H1

41%

Growth in Connected
Moviegoers since 2019H1,
to 12.7M globally

Revenue Breakdown (\$M NZD)

	2018H1	2019H1	2020H1
Cinema	6.1	7.0	5.5
Research	0.9	2.1	1.8
Media	1.5	2.1	0.7
Core Revenue	8.5	11.2	8.0
Eliminations	0.4	0.4	—
Reported	8.9	11.6	8.0

Movio Cinema

- Global footprint now 87 exhibitors across 58 countries
- Commenced build of Cinema Essentials, a light touch/lower support offering for small to medium customers.

Movio Research

- Rapid migration of all existing US customers to new Research 2.0 platform and completed build for UK and Australia launch post lockdown
- Successful completion of trial measurement campaigns with Google and Hulu to determine effectiveness of film advertising.

Movio Media

- Direct and digital campaigns have been deferred since March, awaiting films to be released by Studios
- MADEX² has launched in Australia with the support of multiple exhibitors and film distributors. Initial campaigns to be deployed post lockdown.

¹ Connected Moviegoers are a subset of Active Moviegoers available for digital campaigns. Active Moviegoers have purchased at least one ticket to a movie from a participating exhibitor during the recent 12 month rolling period.

² MADEX is the market brand for the Moviegoer Data Platform.

ADDITIONAL GROUP COMPANIES



MACCS

Provides world leading theatrical distribution software

- Cushioned impact from COVID-19
- Revenue down 7%
- Cost management in place
- New customers signed up to MICA

NUMERO

Box Office Reporting

- Good H1 revenue
- Sony International engagement drives further geographic expansion

\$7.1M

REVENUE GROWTH -9%

-\$0.1m

EBITDA

POWSTER

World leading film marketing products

- Revenue down 34%, primarily due to lower showtimes revenue
- Cost management in place
- Extending non-film industry engagements (music, streaming)

FLICKS

Movie and cinema review and showtime guide

- Revenue down 12%
- Reduced advertising spend
- Expansion into coverage of streaming completed

maccs

numero 

POWSTER

FLICKS



VISTA CHINA

China film industry update

- Cinemas closed on January 26
- 2020 box office in China significantly impacted by COVID-19 pandemic
- Cinema re-opening approved from July 20 – roughly 2/3 currently open
- Operating restrictions continue, but box office showing signs of recovery.

Vista China Operating Performance

- 2020 first half revenue down \$5.8m (64%) on 2019
- Strong cost cutting, loss \$3.7m (Vista share \$1.8m)
- Expectation is for 2nd half cash neutral as cinema reopening continues
- Dadi has switched to in house owned solution, reducing Enterprise market share to 8% – however revenue impact less than 10% of overall revenue
- Partnership with Maoyan yielding positive early signs with 105 Veezi sites signed up
- Proposal to acquire additional equity in Vista China terminated.

Site Count China	31 Dec 2019	New Sites	Closures/Losses	30 Jun 2020
Enterprise	1,101	39	(547)	593
Veezi	88	-	(8)	80
TOTAL – China	1,189	39	(555)	673

INDUSTRY OUTLOOK



- Cinemas are re-opening around the world – estimated 70%-80% open
- Research shows Moviegoers are keen to return to the theatrical experience with demand strong
- Cinema continues to provide a unique experience
- New content is key to bring many more people to the cinema – positive to see recent “blockbusters” scheduled for opening
- Studio experimentation with alternate content release strategies driven by pandemic related financial stress – not a sea change
- We expect to see our cinema customers continue to enhance the theatrical experience, supported by Vista innovation.

OUTLOOK – POSITIVE



- Outlook is more positive than our estimates at the time of the capital raise but still too early for specific guidance for 2020
- Content for cinema is starting to be released providing much-needed impetus to the cinema industry
- Cinema is still an economic entertainment destination of choice
- Vista stronger and more competitive in post-COVID world given lower cost base and stronger customer engagement
- Positioned to drive strong EBITDA growth over 2021 and 2022
- Improved cash draw against Capital Raise scenario, projected to be now \$3-4m per month
- Pandemic experience has underlined that Vista is critical to customer success
- Retained experienced and committed executive and management team to grow into the future
- We have a strong balance sheet, strong customer relationships, and an exciting pipeline of innovation.

QUESTIONS



THANK YOU

