



## **VISTA GROUP 2019 FULL YEAR RESULTS**

27 February 2020

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# AGENDA



## VISTA GROUP SUMMARY

KIMBAL RILEY

GROUP CHIEF EXECUTIVE

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## FINANCIAL RESULTS

MATT CAWTE

CHIEF FINANCIAL OFFICER

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## OPERATIONAL HIGHLIGHTS

KIMBAL RILEY

GROUP CHIEF EXECUTIVE



WILL PALMER

CEO MOVIO

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## OUTLOOK

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## Q+A



# Enhancing the Moviegoer Experience



Solid 2<sup>nd</sup> half performance underpins results in line with guidance.

- Group revenue growth of 11% highlighted by 16% growth for core business
- Solid underlying EBITDA performance
- SaaS revenue now 33%, recurring revenue steady at 61% up \$8m
- Good revenue growth and a strong profit improvement from AGC
- Balance sheet remains strong with low debt and a strong cash position
- Vista Cinema market share of Enterprise (20+ screens segment) excluding China is 51%, up from 48%

# FINANCIAL RESULTS



# FINANCIAL HIGHLIGHTS



## TOTAL REVENUE

**\$144.5m**

(up 11%)

## RECURRING REVENUE

**\$88.2m**

(up 11%)

## OPERATING PROFIT

**\$21.3m**

(down 14%)

## EBITDA<sup>1</sup>

**\$31.1m**

(down 5%)

## OPERATING CASHFLOW

**\$15.5m**

(down 44%)

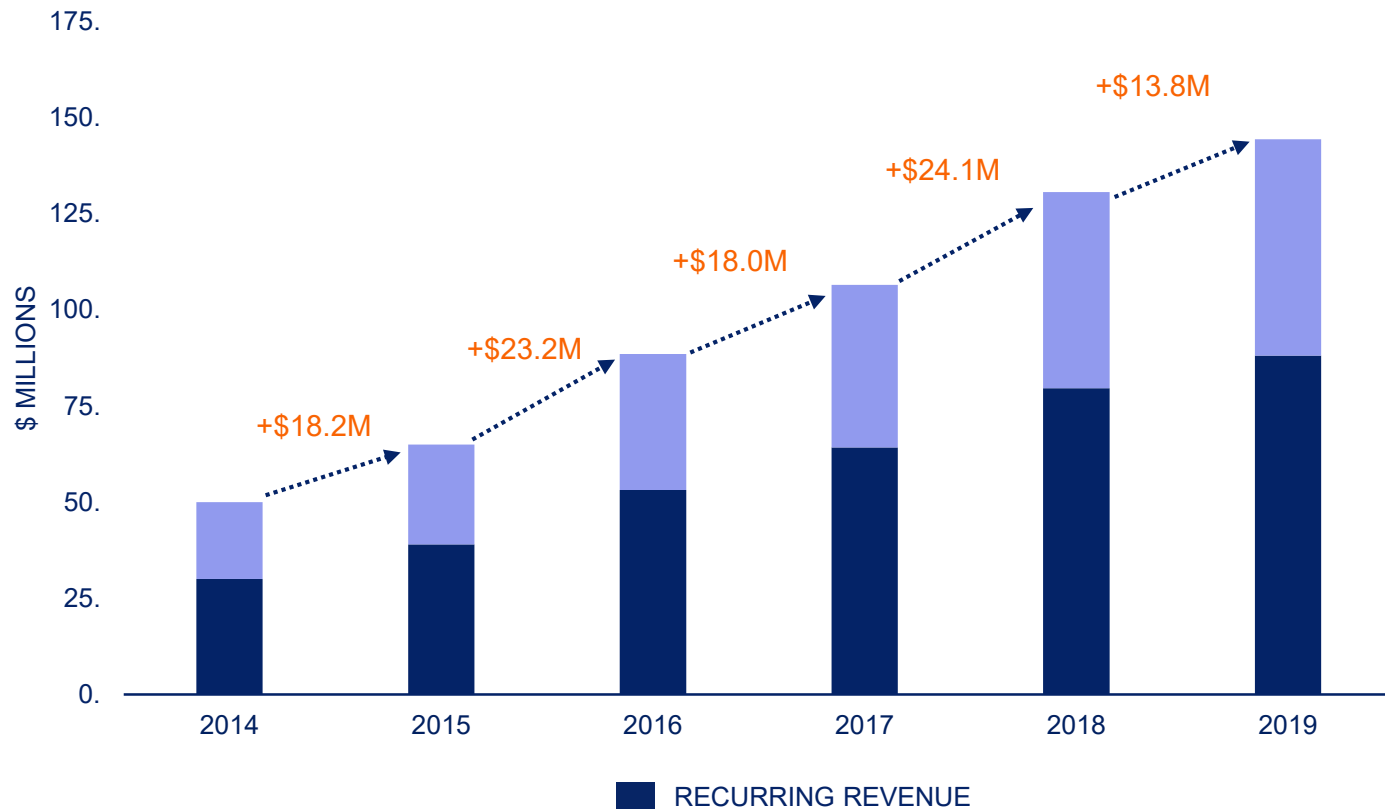
## FINAL DIVIDEND

**2.10**

cents per share

<sup>1</sup>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 losses and equity-accounted results from associates and joint venture companies.

## VISTA GROUP - 6 YEAR REVENUE



**25%**  
CAGR 2014-2019



# TRADING PERFORMANCE



NZ\$M (Twelve Months Ended)	31 Dec 2019	31 Dec 2018	% Change
Revenue	144.5	130.7	11%
Expenses	123.3	107.0	15%
Foreign exchange losses / (gains)	(0.1)	(1.0)	
Operating Profit	21.3	24.7	-14%
Net finance revenue / (costs)	(1.1)	(0.7)	
Share of loss from associates / other	(1.8)	(3.0)	
<b>PROFIT BEFORE TAX</b>	<b>18.4</b>	<b>21.0</b>	<b>-12%</b>
Net Profit attributable to Vista Group Shareholders	10.8	12.3	-12%
<b>EBITDA<sup>1,2</sup></b>	<b>31.1</b>	<b>32.8</b>	<b>-5%</b>
<b>EBITDA adj for LTI<sup>3</sup></b>	<b>29.1</b>	<b>32.8</b>	<b>-11%</b>

- Good top line growth, especially in core
- Expense growth higher with investment in team and global reach
- Performance from associates improved
- Reported EBITDA benefits from reduced LTI costs in 2019.

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<sup>2</sup>To enable a like for like comparison, the 2018 results have been adjusted to include the impact on NZ IFRS 16. See section 8.4 of the following annual financial statements for full details on the impact of adopting NZ IFRS 16 on both the current and prior year.

<sup>3</sup>EBITDA adjusted for Long Term Incentives not achieved in 2019.

# OPERATING SEGMENTS



2019						
NZ\$M	Cinema	Movio	Additional Group Companies	Early Stage Investments	Corporate	Total
Revenue	96.3	25.7	17.6	2.9	2.0	144.5
EBITDA <sup>1</sup>	30.9	6.8	3.3	(1.3)	(8.6)	31.1
EBITDA % of revenue	32%	26%	19%	n/a	n/a	22%
2018						
NZ\$M	Cinema	Movio	Additional Group Companies	Early Stage Investments	Corporate	Total
Revenue	82.5	22.8	15.0	4.5	5.9	130.7
EBITDA <sup>1</sup>	28.3	6.4	2.1	0.4	(4.4)	32.8
EBITDA % of revenue	34%	28%	14%	9%	n/a	25%
Revenue Growth	17%	13%	17%	-36%	n/a	11%

- Core Revenue Growth (Cinema and Movio) was 16%
- 2018 EBITDA has been restated to include IFRS16 lease cost adjustments (previously reported as \$29.2m).

<sup>1</sup>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 losses and equity-accounted results from associates and joint venture companies.

## FINANCIAL POSITION



NZ\$M	31 Dec 2019	31 Dec 2018	% Change
Cash & short term deposits	19.5	34.4	-43%
Other Current Assets	58.2	62.2	-6%
Non-Current Assets	165.9	124.5	33%
Current liabilities	44.5	43.7	2%
Non-Current liabilities	35.6	18.0	98%
<b>NET ASSETS / TOTAL EQUITY</b>	<b>163.5</b>	<b>159.4</b>	<b>3%</b>

- Strong balance sheet maintained
- 2018 cash benefited from \$7m customer prepayments
- IFRS16 Lease accounting increases both sides of balance sheet and impacts tax balances, primarily non-current
- Receivables steady on prior year
- Increase in intangibles (non-current assets) driven by capitalisation of internally generated software and deferred tax.

# CASH FLOW



NZ\$M	31 Dec 2019	31 Dec 2018	% Change
Receipts from customers	143.6	132.4	8%
Payments to suppliers & staff	(118.0)	(96.0)	23%
Tax & interest	(10.1)	(8.8)	15%
Cash flow from operating activities	15.5	27.6	-44%
Investments in internally generated software and other intangibles	(12.6)	(7.9)	59%
Other investing activities	(6.1)	(2.2)	177%
Cash flow from financing activities	(11.7)	(5.9)	98%
<b>NET MOVEMENT IN CASH HELD</b>	<b>(14.9)</b>	<b>11.6</b>	<b>-227%</b>
Foreign exchange differences	0.0	1.8	n/a
<b>CASH BALANCE</b>	<b>19.5</b>	<b>34.4</b>	<b>-43%</b>

- Collections in line with prior year, adjusting for 2018 pre-payments
- Working capital up versus prior year
- Underlying cash generation in line with previous years
- Investment in internally generated software consistent with Vista Group's product strategy.

# DIVIDEND PROPOSAL



- The Board have resolved to pay a final dividend at the top of the policy range (50%) and that the dividend will carry full imputation credits
- The value of the final dividend will be 2.10 cents per share representing a total payment of \$3.5m
- The record date for the dividend is 5pm on Friday, 13 March 2020 with the payment date set for Friday, 27 March 2020
- This is in addition to the interim dividend declared and paid in September 2019 of 1.20 cents per share, a total payment of \$2.0m
- Total 2019 dividend is 3.30 cents per share compared to 3.70 cents per share in 2018.

# OPERATIONAL HIGHLIGHTS



# CINEMA SEGMENT



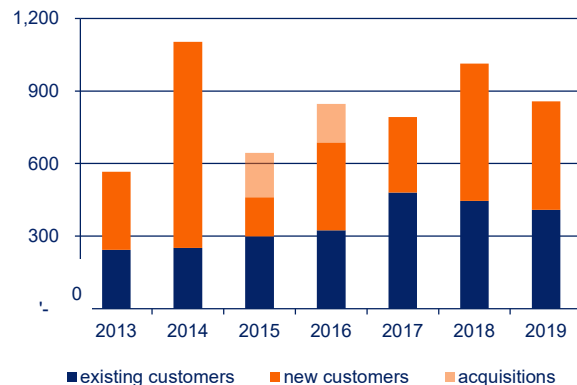
**\$96.3M** REVENUE  
GROWTH +17%

**\$30.9M** EBITDA  
GROWTH +9%

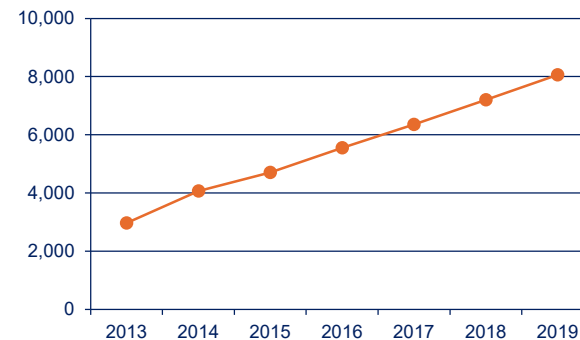
## Vista Cinema provides cinema management software to the world's largest cinema exhibitors

- 857 new sites in 2019 (including 143 sites in China)
- Total now 8,059. Total in China now 1,101
- Overall, Vista and Veezi now have customers in 116 countries
- Market share globally of enterprise segment (excluding China) is 51%, 40% with China
- Whole cinema market share (excluding China) is 40%, 29% with China
- Revenue from non-software ecosystem over \$6m – highlighted by hardware and payment partner fees.

NEW SITES ADDED



TOTAL SITE COUNT



**12%**

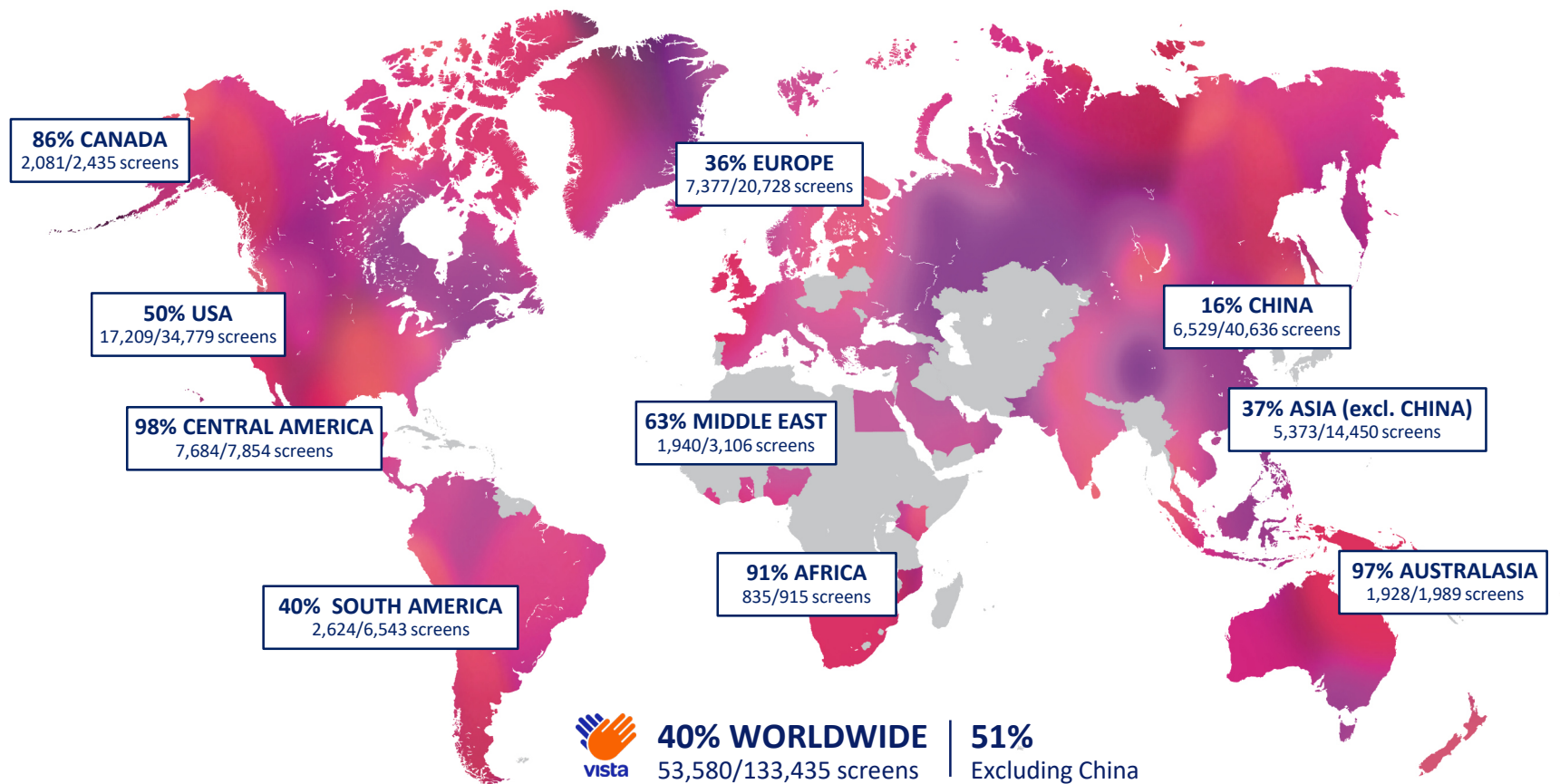
GROWTH IN TOTAL  
SITES TO 8,059

**32%**

EBITDA%

# VISTA MARKET SHARE

Vista Cinema percentage of the world market – for cinema exhibition companies with 20+ screens





## CINEMA SEGMENT - CONTINUED



### Provides cinema management software to the world's independent cinema exhibitors

- 161 new sites bring total site numbers to 1,062 – including China
- China now with 88 sites
- 3% increase in revenue per month per site compared to 2018
- Revenue from eco system may become significant in 2020
- New innovation for Veezi customers included Time & Attendance, Tips 'n' Tabs and Online Gift Cards.

**3%**

INCREASE IN SITE  
REVENUE TO  
\$604 P.MTH

**26%**

RECURRING  
REVENUE  
GROWTH

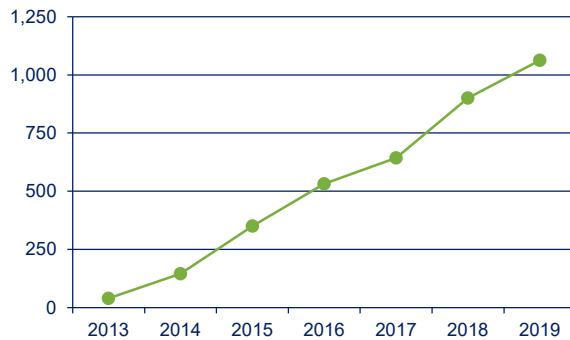
**22%**

INCREASE  
IN ARR

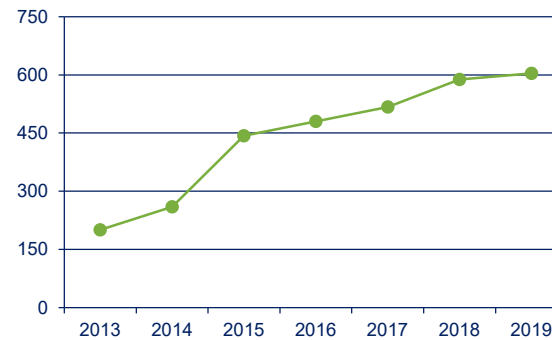
**18%**

GROWTH IN  
CONTRACTED  
SITES TO 1,062

VEEZI – TOTAL SITE COUNT



AVERAGE REVENUE PER MONTH PER SITE





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

#### Movio Cinema

- Global revenue grew 19%, increasing footprint to 57 countries.
- Regional growth in EMEA of 38%, with first Odeon site live in Q4 and remaining 124 sites on track to go-live in 2020.
- 57 (66%) of exhibitors now signed Innovation agreements with fixed annual increases of typically 7%.

#### Movio Research

- Global revenue increased by 15%, with 100% of Research revenue now recurring in nature.
- Ignoring the one-off revenue earned in September 2018 from providing historic audience reporting to Disney, annual revenue grew by 42%.
- Signed audience evolution reporting slate deal (18 titles in 2020) with Warner Bros UK in December.

#### Movio Media

- Non-Epsilon revenue increased by 17% - digital campaign revenue up 68%, direct campaign revenue down 16%.
- Slate agreement executed with A24 in October for digital media campaigns, further validating commercial model.

#### Revenue Breakdown (\$m NZD)

	2017	2018	2019
Cinema	10.6	12.4	14.7
Research	2.7	4.7	5.4
Media	1.7	5.0	4.9
Core Revenue	15.0	22.1	25.0
Eliminations	0.6	0.7	0.7
Reported	15.6	22.8	25.7

# 24%

Growth in recurring revenue across Movio Cinema and Research

# 18%

Growth in Connected Moviegoers to 9.8M

# 30%

Growth in connections, sent 3.0B emails, SMS, push

# \$1.92

Core Revenue per Connected Moviegoer in the US

## CRITICAL KPI 'S & GROWTH DRIVERS

### Increase volume – Active Moviegoers

- Continued innovation and investment in Movio Cinema.
- Focus on growth in EMEA region and exploring opportunities in Japan.
- Implementation of the non-member solution allowing exhibitors to build moviegoer profiles based on online ticket purchases of non loyalty members.

### Increase revenue per Active Moviegoer

- Expanding existing US Research deals.
- Growth of Research and Media business within the UK.
- Development of MDP targeting international film distributors with the ability to operate in new markets.

	Active Moviegoers (Millions)			Core Rev/Active Moviegoers (NZ cents)		
Region	2018	2019	Growth	2018	2019	Growth
North America	20	20	0%	86	91	6%
Rest of World	25	33	32%	19	22	16%
Global	45	53	18%	49	48	-2%

1 Active Moviegoers have purchased at least one ticket to a movie from a participating exhibitor during the recent 12 month rolling period.

2 Core Revenue / Active Moviegoers is presented above, previously all Revenue / Active Moviegoers has been presented.

3 Connected Moviegoers are a subset of Active Moviegoers available for digital campaigns.

## ADDITIONAL GROUP COMPANIES



**\$17.6M** REVENUE  
GROWTH +17%

**\$3.3M** EBITDA  
GROWTH +57%

**maccs**

### Provides world leading theatrical distribution software

- Good revenue growth 21% and positive EBITDA contribution
- Development of TDS v10 a unified platform for non-US distributors nearing completion
- Warners domestic relationship onto normal commercial footing
- MICA product live with multiple customers.

**numero** 

### Box Office Reporting

- Good revenue growth (35%), albeit off a small base
- Breakeven in H2 – self sustaining
- Strong geographic expansion continues
- Domestic (North America) coverage now at 65%.

**POWSTER**

### World leading film marketing products

- Modest revenue growth (7%) and EBITDA performance – invested to establish LA studio
- Q4 highlighted by \$1m+ of creative projects for studios
- Traffic across all Powster platforms grew 23% over 2018
- Increases in coverage of top 100 films in US, UK, and International
- FWA award for creative work with 1917 film.

**FLICKS**

### Movie and cinema review and showtime guide

- Users up 13% to 8.2m across New Zealand and Australia
- Strong increase in advertising revenue in Australia
- Extending the lead as the largest independent movie site in Australasia.

# EARLY STAGE INVESTMENTS



**\$2.9M**

REVENUE  
GROWTH - 36%

**(\$1.3M)**

EBITDA



## Software to optimise film forecasting and scheduling

- Modest revenue growth (13%)
- Stronger second half
- Increasingly key component of Vista Cinema contracts
- Integration with Vista Cinema Film Manager completed.



## A platform to share film digital assets & enable new cinema ticketing sales channels

- movieXchange Tickets volume significantly reduced with the demise of MoviePass
- movieXchange Film uptake continues to grow
- Integration into Vista Cinema complete during Q4.

# ASSOCIATE COMPANIES



## VISTA CHINA

### Vista China Operating Performance

- 2019 revenue of \$19.2m down 7% on 2018
- EBITDA result small loss for 2019
- Percentage of revenue based on share of online ticket sales reached 80% by year end
- Strategy fine tuned to focus on luxury top end cinemas with partner relationships for independent market.

### China film industry update

- 2020 box office in China will be impacted by the Coronavirus. The extent of this impact is unclear
- Vista China remains an associate company (results not consolidated)
- We have initiated discussions with our Joint Venture partner WePiao to pause our previously announced equity increase transaction until the impact of Coronavirus on the cinema industry and on Vista China becomes clearer.



### Stardust

- Stardust was deconsolidated in February 2019 and continues to operate independently of the Vista Group.

# UPDATE ON VISTA CINEMA SAAS TRANSFORMATION



## Key Milestones

- Detailed internal program reporting established
- Program manager appointed
- Commercial program established and resourced
- First outsource partner engaged and underway
- 25 additional SaaS focused technologists engaged.

LATE 2019	PREPARE	Design, Validate	COMPLETE
		Define Transitions	COMPLETE
		Plan	COMPLETE
		Recruit	ONGOING
EARLY-MID 2020	FAST START	New Platform Architecture	VALIDATED
		Next Gen Cloud Cinema	ON TRACK
		'Connect' as a service	ON TRACK
LATE 2020	FAST LIVE	3+ Early Adopters	
		China Customers	
		Existing Cloud Customers	



## SIMPLIFY AND SCALE

- Cinema Intelligence and movieXchange now integrated into Vista Cinema
- 100% ownership of Numero
- Vista Cinema now direct in South East Asia and Spain
- Stardust transitioned to Associate.

## INCREASE TAM

- Transformation to SaaS under way for Vista Cinema
- Offices opened in Kuala Lumpur and Amsterdam, presence in Sao Paulo
- Investment in sales resource for Vista Cinema ecosystem
- Vista Digital established to broaden offerings to customers.

## INNOVATION

- Mica released by MACCS to target small distributors
- Serve sold 1m items in the last 30 days from 550 devices
- MX Film added 10k screens
- Horizon live across 600 sites
- Movio piloting MDP to target international distributors.





## TOP 10 CUSTOMERS

- Top 10 customers accounted for 33% of revenue (up from 29%)
- Structure being piloted to better manage large multi-national customers
- Simplification of Group structure part of this process.

## RECURRING REVENUE

- Impact of transition to SaaS post 2021
- Positive trends in Veezi, ecosystem, and with innovation offerings across Group
- Vista Managed Service offering (not SaaS) established and live with customers.

## UNDERSTAND MOVIEGOERS

- Upcoming release of Movio Cinema enhanced AI capabilities
- Movio Research is expanding the range of data insights available
- MDP launch will target international distributors – a new segment for Movio Media.

# OUTLOOK



- We expect revenue growth in the region of 13-18% in 2020 (excluding consolidation of Vista China) and to maintain underlying EBITDA margin percentage<sup>(1,2)</sup>
- Industry analysts predict a solid box office performance (excluding China) for 2020 with a broad range of exciting films
- We are pleased with the progress Vista Cinema has made in accelerating the move to SaaS
- We have a strong balance sheet, strong client relationships, and an exciting pipeline of innovation.



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<sup>2</sup>EBITDA adjusted for Long Term Incentives not achieved in 2019.

# QUESTIONS



# THANK YOU

