



VISTA
GROUP

Vista Group – FY 2016 Full Year Results
24 February 2016



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All currency amounts are in NZ dollars, unless stated otherwise.

AGENDA

- Group update
- Results highlights
- Operating performance and trading metrics
- Financial performance
- China transaction
- Outlook
- Questions





VISTA GROUP – RESULTS HIGHLIGHTS & GROUP UPDATE



THE STRENGTH OF VISTA GROUP

- Consistent strong revenue growth
- Strong annuity revenue
- Sustained profitability
- Positive operating cash generation
- Leading global position in an expanding film industry
- Dividend payer



VISTA GROUP UPDATE

- Founded 1996 & listed on NZX/ASX in Aug 2014 with market cap of \$187M; now \$460M. CGR of 45% p.a
- 530+ staff & offices in 10 offices:
 - Auckland, Sydney, London, LA, Dallas, Holland, Shanghai, Romania, Cape Town, Beijing
- Completed the acquisitions of :
 - 50% of Cinema Intelligence, a Dutch software company specialising in predicative analytics & intelligence solutions for cinema exhibitors
 - 50% of Powster, a UK based provider of movie websites & marketing platforms to Film studios & distributors
 - 100% of Flicks NZ & Australia
- Completion of the new venture in China which transitioned Vista China to an associate company in the second half of 2016



— VISTA ENTERTAINMENT SOLUTIONS —

MOVIO

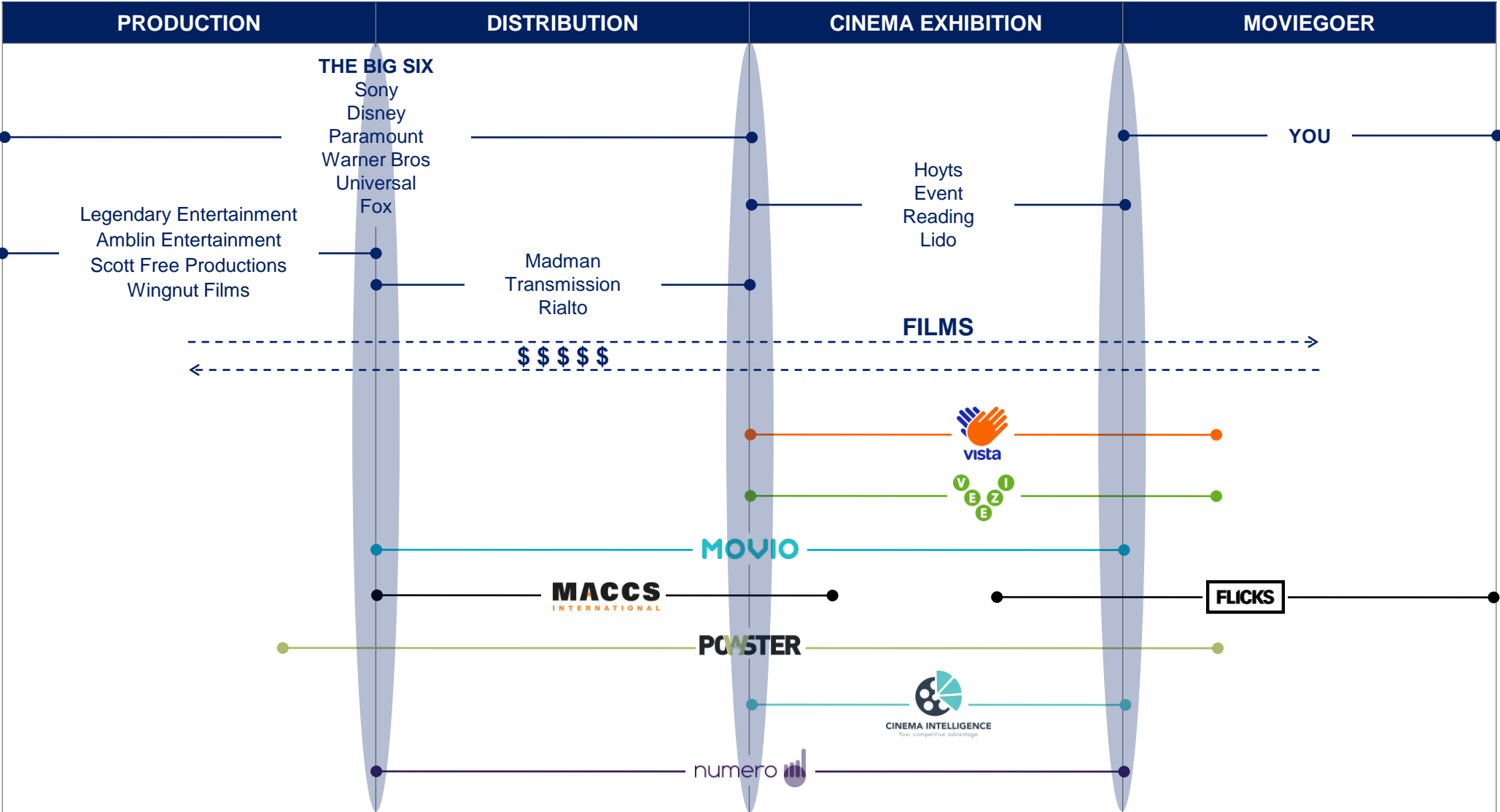
MACCS
INTERNATIONAL

numero



POWSTER

FLICKS



Result Highlights



- **Strong 35% revenue growth for the consolidated Vista Group to \$88.6m over FY2015**
- **Performance compared to FY2015**

NZ\$m	31 December 2016	31 December 2015	
Revenue	88.6	65.4	35.5%
EBITDA ¹	17.6	15.1	16.6%
Trading Net Profit ²	12.0	10.1	18.8%
Net Profit Before Tax	53.0	10.1	724.1%

- Investment in 3 strategic acquisitions during the first half of FY2016
- Completion of a major strategic transaction in China, the fastest growing film market in the world
- Increased investment in projects to enhance current products and commencement of work on new platforms for growth. Includes a social application based around movie goers and a platform to connect various parts of the cinema industry that has arisen from our China experience.
- Headcount growth to support the business in a tight labour market. Headcount (excluding new acquisitions in FY2016) has increased 24% (104) to 474. Total headcount (including acquisitions) is 532.

Outlook for FY2017 continues to look positive

(1) EBITDA is defined as earnings before depreciation and amortisation (\$3.3), net finance expenses, income tax and the expense accrual related to the VCL deferred consideration.

(2) Trading Net profit is defined as Net Profit Before Tax excluding capital gains on the sale of shares in subsidiaries

VISTA GROUP – TRADING METRICS

TOTAL REVENUE ANALYSIS

30%

AVERAGE REVENUE
GROWTH PER YEAR
FOR LAST 3 YEARS

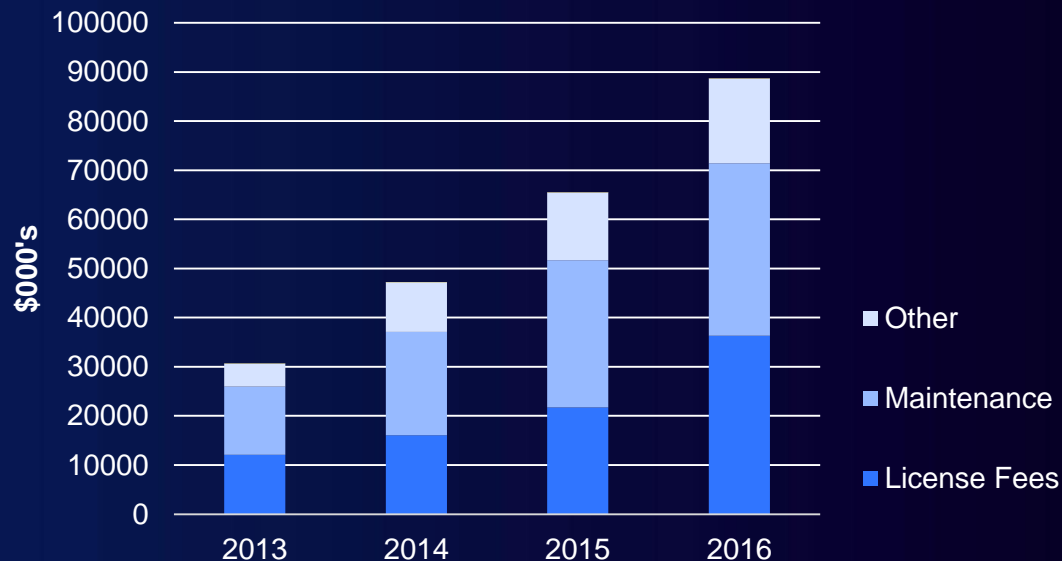
35%

REVENUE GROWTH
OVER FY2015
*28% EXCL. ACQUISITIONS

32%

INCREASE IN VALUE OF
RECURRING REVENUE to \$53.2m

REVENUE ANALYSIS





OPERATING PERFORMANCE & TRADING METRICS



VISTA ENTERTAINMENT SOLUTIONS (VES)

- Largest Group subsidiary outperformed growth forecasts for third year in a row. Revenue growth 20%+ in FY2016
- 847 new cinema sites added (includes 161 from CCG) to bring global total to 5,557. In addition 285 installations at customer owned small retail outlets
- Estimate 38% of large circuit market (global). Total Global screen growth still strong.
- New office in South Africa to support market. With Ster Kinekor we now have 100% of large circuit market. The office will support opportunities in the growing African market
- Advanced developments on existing products and new initiatives for future growth
- Investment in staff to support the business



VISTA CINEMA – METRICS

AVERAGE LICENSE
REVENUE PER SITE

↑ **7%**

FROM 2014

AVERAGE LICENSE
REVENUE PER SITE

\$27k

OVER 3 YEARS

AVERAGE MAINTENANCE
REVENUE PER SITE

↑ **20%**

FROM 2014

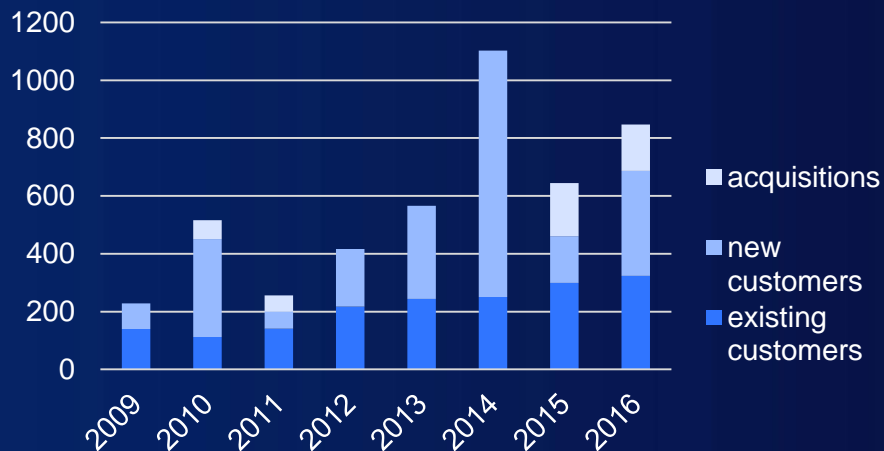
AVERAGE MAINTENANCE
REVENUE PER SITE

\$6k

OVER 3 YEARS

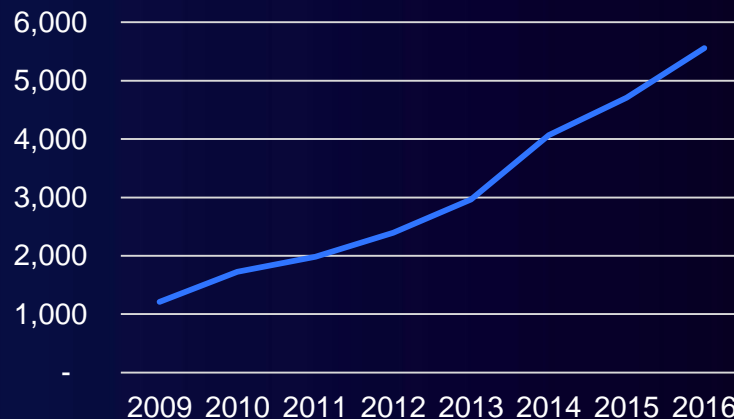


NEW SITES ADDED



TOTAL SITE COUNT

Total Sites at Dec 2016



5,557



87% CANADA
2,052/2,347 screens

42% USA
13,413/31,913 screens

97% CENTRAL AMERICA
6,543/6,750 screens

22% SOUTH AMERICA
1,260/5,812 screens

26% EUROPE
4,845/18,953 screens

57% MIDDLE EAST
1,307/2,311 screens

93% AFRICA
761/819 screens

23% ASIA
7,017/30,415 screens

95% AUSTRALASIA
1,698/1,788 screens

38% WORLD WIDE
38,896/101,108 screens



WORLD SHARE

Vista Entertainment Solutions percentage of the world market –
for Cinema Exhibition Companies with 20+ screens



VEEZI

ENGINEERED BY VISTA

- Site number growth of 52% to 532 at year end across 20 countries
- Addressable market size approx. 25,000 Cinemas
- ARR strong at \$5,750 per annum per site (\$480 per month)
- New agreement with Film Industry Organisation in Sweden with significant opportunity in 2017
- French certification achieved and first site live. Wider market entry planned for 2017
- China SARFT approval gained and first site live in late 2016
- India market entry planned during 2017

VEEZI – METRICS

532

GLOBAL TOTAL OF
CONTRACTED SITES

\$3.06M

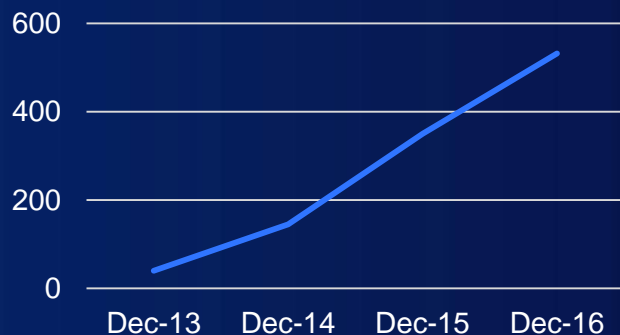
ANNUALISED RECURRING
REVENUE

\$480

AVERAGE REVENUE
PER SITE EACH MONTH



TOTAL SITE COUNT



AVERAGE REVENUE PER SITE



Investments

- **Vista Cloud**

Commenced platform change for the core Vista Cinema product to provide customers the choice of an on premise or hosted deployment. First parts release in 2017.

- **MovieTeam**

Released new SaaS Cinema focused staff management and scheduling product. 6 customer signups by end 2016.

- **movieXchange**

New SaaS application to assist exhibitors and distributors with the management of digital marketing content. Release at CinemaCon 2017.

- **Social Media App**

A new mobile social application based around films.

- **Ticketing Platform**

A new platform offering for exhibitors to make it easier to access the growing number of cinema ticketing sales channels.





MOVIO

- On track with their Mission: To revolutionize the way film distributors & cinema exhibitors interact with moviegoers.

Movio Cinema

- Increased customers from 37 to 50 of the world's largest cinema circuits including AMC (USA), Ster Kinekor(SA) and Vue(UK).

Movio Media

- Introduced ethnicity in 2016, plans for focused U14 data in 2017 – both firsts for the film industry.
- New multi-year deals signed with Sony, Warner Bros., Lionsgate.
- Significant opportunities opened up in the digital media space.

2017

- Increasing the volume of active moviegoers via new data sources including online transactions.
- Extending the campaign offering to incorporate digital media (Web, Mobile, Social).

MOVIO – METRICS

46%

REVENUE GROWTH
OVER FY2015

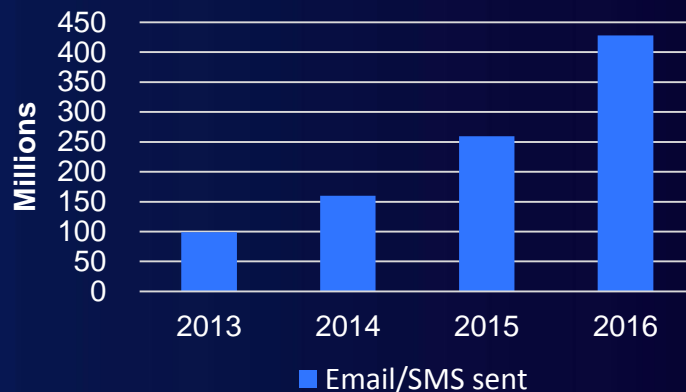
162%

MOVIO MEDIA GROWTH
OVER FY2015

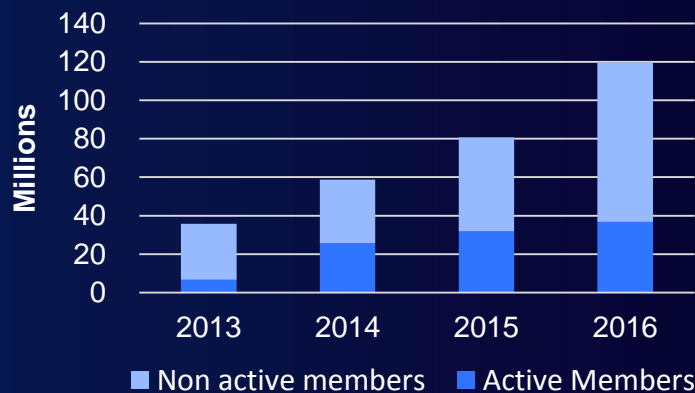
TOTAL REVENUE PER 1,000
ACTIVE MEMBERS

\$305

EMAIL GROWTH



MEMBER DATABASE



MOVIO

MACCS

- **MACCS – Movie ACCounting System**
 - Theatrical distribution software
 - Financial & logistics solution
- **MaccsBox – Theatrical Value Chain**
 - Collects audited box office results (eBor) centrally & provides them to distributors
- **2016**
 - Completed the Warner Bros. domestic enhancements and the release of MACCS 9.0
 - Commenced development of cloud based application for smaller distributors
 - Introduced MaccsBox to the USA
 - Deployed Ster Kinekor in South Africa replacing 3 existing systems
- **2017**
 - Warner Bros. go live Q117
 - Further country rollouts of MaccsBox



NUMERO

- Tracks daily results at cinema level & reports to Film Studios, Distributors & Exhibitors
- SaaS product for film distributors and exhibitors
- **2016**
 - Achieved nearly 100% collection in Australia and New Zealand markets
 - Commenced moving major studios from trial licenses to full licenses
 - Commenced collecting data from China
- **2017**
 - Selling China service to Hollywood
 - Building services in new territories

POWSTER

Provides world-leading film marketing products including interactive content to promote films

- Marketing platform for movie studios, powering the world's biggest films. One destination per film with all cinemas & show-times listed

2016

- All 6 Major studios using Powster platforms in the US
- Developed Trailered, a new web destination that enables moviegoers to consume trailers in a completely new way (2017 release)
- Joined Vista Group
- Doubled Staff across London and LA

2017

- Opening of Los Angeles Studio
- Launch of Trailered
- Launch of VR show times



FLICKS

Authoritative Australasian movie & cinema guide

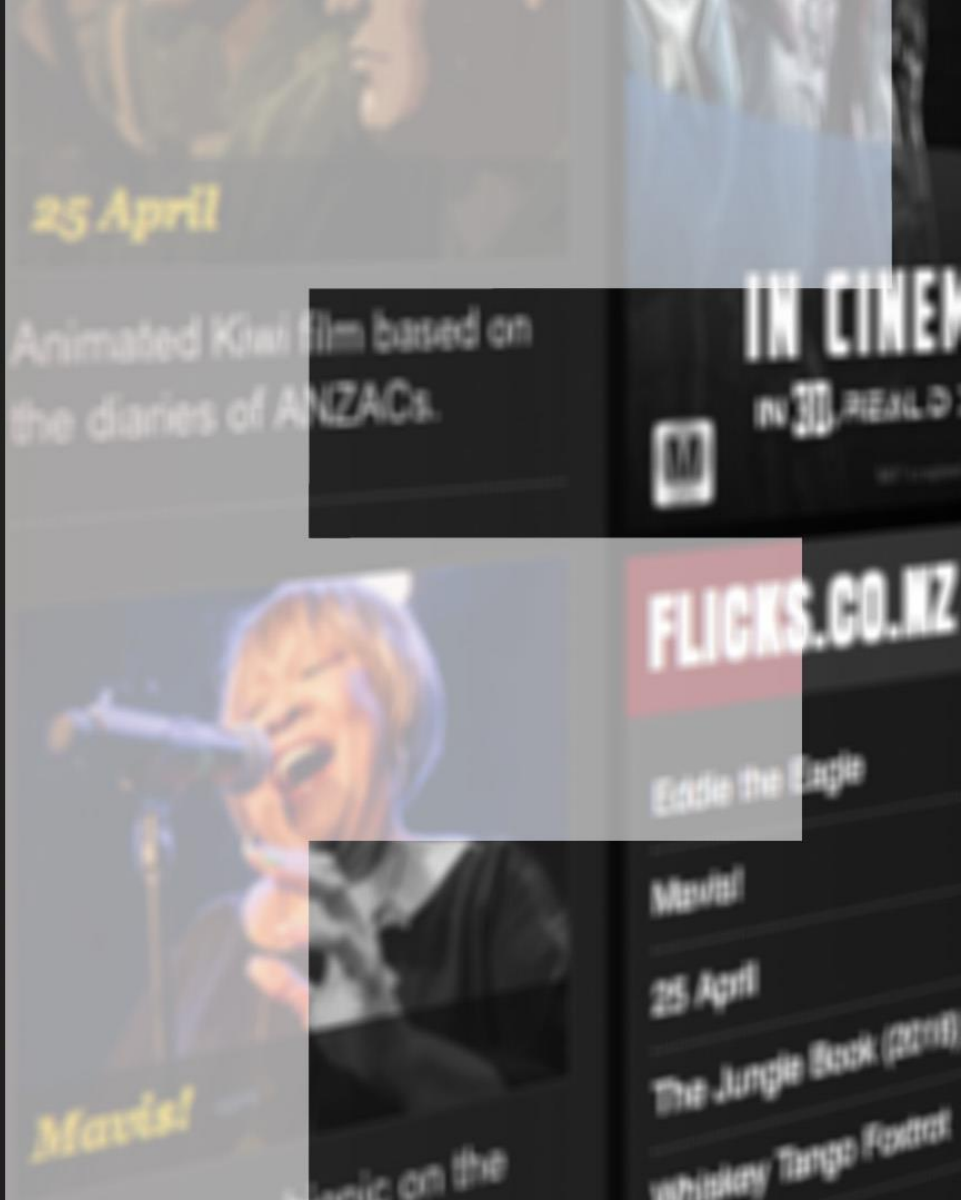
- Moviegoer access nationally for every movie playing; cinemas, session times, booking links, videos & trailers, reviews (user & critical) + editorial from Australasia's best industry contributors

2016

- Best year for advertising revenues and best year to date for total web site visitors
- Transitioned from external ad management to internal, increasing margin.
- Release of new apps for iOS and android

2017

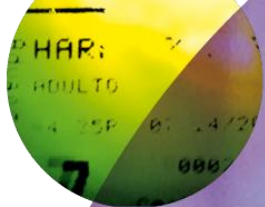
- Build Australian advertising revenue
- Commence presence in new territories
- Release new SaaS based website product for small cinemas



CINEMA INTELLIGENCE

Cinema intelligence is a business intelligence solution for cinema exhibitors, designed to optimize forecasting, booking and scheduling of movies and events proven to increase profitability and revenues.

- 2016
 - Opened LA office
 - Global expansion - running implementations on 3 continents
 - Released new forecasting module
- 2017
 - Key hires in Sales and project management
 - Improving product market fit
 - Build more integration to Vista
 - Strong focus on North America



VISTA GROUP - FINANCIAL PERFORMANCE



Trading Performance



For twelve months ended			
NZ\$m	31 December 2016	31 December 2015	%
Revenue	88.6	65.4	35.5%
Operating Expenses	74.2	57.0	30.2%
Foreign exchange losses / (gains)	1.4	(1.7)	
Operating Profit	13.0	10.1	28.7%
Other Revenue/Costs	40.0	0.0	
Profit Before Tax	53.0	10.1	424.8%
Net Profit attributable to Shareholders	48.6	5.8	737.9%

NZ\$m	2016 Actual	2015 Actual	
EBITDA	17.6	15.1	16.6%

- Strong revenue growth across the consolidated Group of 35% and excluding acquisitions is still up 28%
- Operating expenses reflect the increase in scale of the business
- Underlying EBITDA* performance, which normalises for the impact of currency and new acquisitions, improves as a percentage of revenue to 22%, up 2 percentage points from 2015

Note: EBITDA is defined as earnings before depreciation and amortisation (\$3.3), net finance expenses, income tax and the expense accrual related to the VCL deferred consideration.

Underlying EBITDA is EBITDA less foreign currency gains and losses and has the impact of the acquisitions in 2016 removed.

Financial Position



Current assets		
Cash & short term deposits	21.3	27.3
Other receivables	73.9	30.6
	95.2	57.9
Non Current Assets		
Plant & equipment	4.1	2.4
Investment in Associate	27.7	
Intangibles	64.6	50.5
	96.4	52.9
Total assets	191.6	110.8
Current liabilities		
	42.4	24.2
Non current liabilities		
Loans	4.8	4.8
Deferred tax and consideration	6.0	2.7
	10.8	7.5
Net assets	138.4	79.1
Share Capital	55.7	46.0
Retained earnings	71.3	22.7
Reserves	0.7	2.4
Non controlling interests	10.7	8.0
Total Equity	138.4	79.1

- Effect of China transaction receivables \$35.5m at year end
- Trading receivables in line with trading levels
- Cash balance reduced due to acquisitions
- Intangibles including Goodwill increased with acquisitions of Powster, Share Dimension and Flicks
- Inclusion of value of the China new venture as an associate. Valued via third party specialist
- No impairment of Intangibles
- Current liabilities include \$1.3m related to China transaction. Trading liabilities in line with increased trading levels
- Share Capital increased through the VCL deferred consideration settlement in March 2016 and the issue of 2.0% new shares to WePiao in December 2016.

Cash Flow



NZ\$m	For twelve months ended	
	31 December 2016	31 December 2015
Cash received from trading	69.7	60.6
Cash applied from trading		
Operating expenese	58.5	50.5
Tax & interest	5.8	3.4
	64.3	53.9
Net cash flow from operating	5.4	6.7
Cash applied to investing activities		
Investments	(12.1)	(9.3)
Other assets	(5.9)	(1.1)
	(18.0)	(10.4)
Cash from financing activities		
Proceeds from share issue	8.0	
	8.0	0.0
Net movement in cash held	(4.6)	(3.7)
Foreign exchange differences	(1.4)	
Cash balance at 31 December	21.3	27.3

- Cash receipts from trading supressed by delay in receiving pre new venture receivables being settled with China transaction payments.
- Focus on trade receivable collection has improved balance
- Cash outflows on operating expenses reflect uplift in trading levels
- Investment activity includes the Powster, Share Dimension and Flicks acquisitions
- Cash from Financing activities reflects the new shares issued to and paid by WePiao
- FX differences – translation of foreign currency at 31 December 2016

Dividend Proposal



The dividend policy established by the Vista Group Board in 2016 was:

To distribute 30% to 50% of net profit after tax subject to immediate and future growth opportunities and identified capital expenditure requirements. The dividends will be provided with the maximum value of imputation (franking) credits available to the company to apply to the dividend.

The directors have resolved to pay a dividend at the top of the range (50%) and that the dividend will carry full imputation credits.

The value of the dividend will be 4.61 cents per share representing a total payment of \$3.8m.

The record date for the dividend is 5pm on Friday, 10 March 2017 with the payment date set for Friday, 24 March 2017.



CHINA TRANSACTION



China Transaction



- Successful completion of one of the largest tech industry transactions in China by a New Zealand company
- Full explanation of the treatment and values associated with the recognition of the transaction in our market release of 21 February 2017
 - One-off capital gain on sale of shares in Vista China
 - Revenue released in 2016 and held as Deferred Revenue on balance sheet
 - Value of cash received and that held as a receivable at 31 December 2016.
- Operationally the new venture is making significant progress in positioning itself for growth
 - Office in Beijing
 - New staff being recruited and joining from WePiao
 - Introduction of products beyond Vista Cinema and Veezi
- Growth in the China film market remains strong



OUTLOOK



Outlook



- Strong outlook for Global Film Industry
- Revenue growth of the existing businesses is expected to be in the range of 20% to 25%
- Strong pipeline supporting future revenue growth
- Vista Cinema to continue strong growth of revenue and earnings
- Strong cash position as the China transaction payments are received
- Veezi expected to grow at a faster rate with addition of Sweden, France, China markets
- Movio to continue sales of Movio Cinema and transaction volumes expected to grow
- Movio Media – significant advancement into Digital Media should accelerate the rate of campaigns and revenue
- Introduction of new platforms expanding the services and offerings of the VGL group to the Film industry
- MACCS will complete the deployment to Warner Bros. in the USA, creating further opportunities in the USA, while continuing to expand in global territories
- Vista China will push forward under the new structure and grow its business in China
- Leveraging our core strengths to continue growth and underlying performance



QUESTIONS

