



**VISTA**  
**GROUP**

**Vista Group – FY 2015 Results**  
**26 February 2016**



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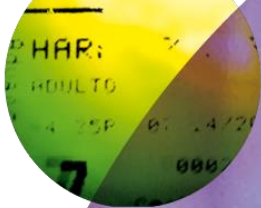
All information in this presentation is current at the date of this presentation, unless otherwise stated.

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

# AGENDA

- > Introduction
- > Results highlights
- > Operating performance
- > Financial performance
- > Growth strategies
- > Questions





# VISTA GROUP - INTRODUCTION



# Result Highlights

- > Strong year on year performance with revenue up 39% and EBITDA up 60% on FY14
- > Performance compared to PFI

NZ\$m	2015 Actual	2015 PFI	
Revenue	65.4	61.5	6%
EBITDA	15.1	13.2	14%
Adjusted Net Profit <sup>1</sup>	9.0	8.1	11%

## Highlights

- > Strong performance again from Vista Entertainment Solutions: 20+% revenue growth year on year and installing 461 new sites, with approximately 70% of new sites from existing customers
- > Veezi: sites installed and revenue exceeded PFI target
- > Over 81 million member profiles in the Movio database up 212% from when Vista Group listed (26 million members)
- > MACCS signed Warner Bros. USA
- > Numero now collects box office results for over 99% of the Australasian market

## Group on track to achieve growth strategies as outlined in the 2014 Prospectus

1. See reconciliation on page 17. Adjusted Net Profit refers to Statutory Net Profit adjusted for contingent consideration accrual (\$2.0m), acquisition costs (\$0.7m), LTI costs (\$0.2m) and Amortisation of Intangibles in relation to Ticketsoft and CCG (\$0.6m)

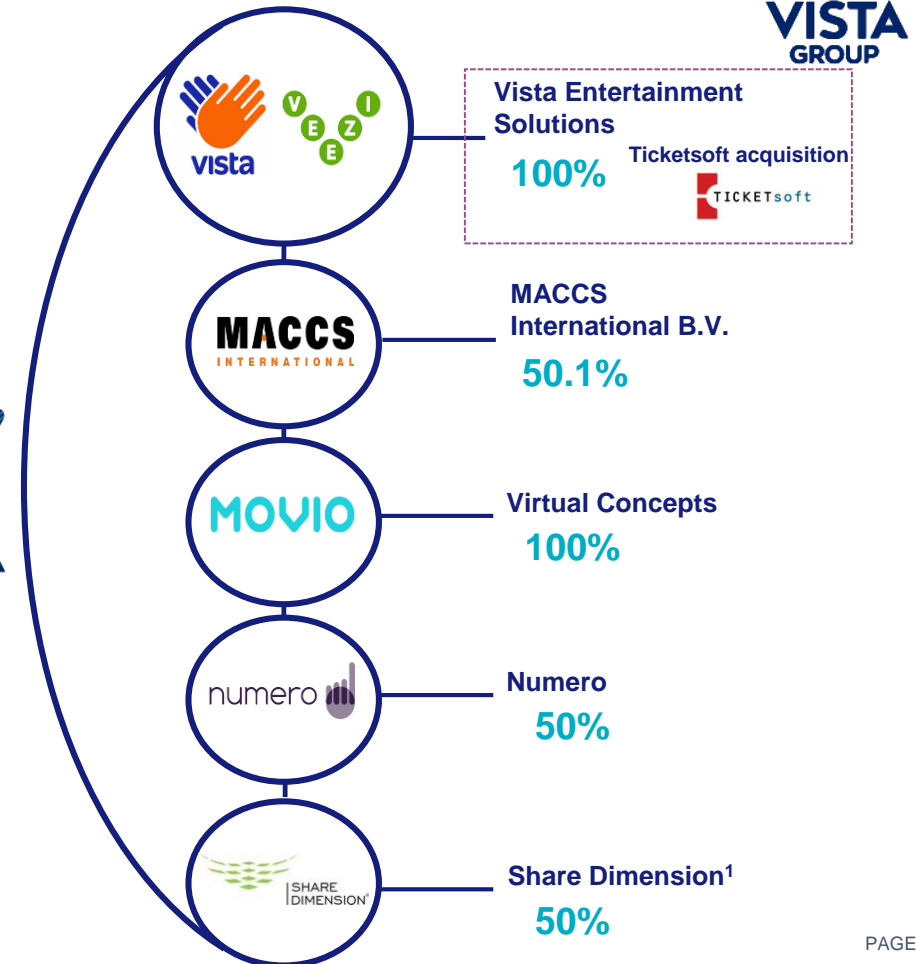
# Timeline



# Vista Group update

- > Vista Group founded 1996 and listed on the NZX and ASX in August 2014 with a market capitalisation of \$187.5m, at listing and now at \$410.0m
- > Global footprint of sales and support with 350+ staff across 7 offices in Auckland, Sydney, London, Los Angeles, Dallas, Groningen (Holland) and Shanghai
- > Completed the acquisition of Ticketsoft in 2015. Ticketsoft is used in more than 200 cinemas, primarily in North America
  - > Acquired IP and customers and in the process of transitioning them to Vista cinema
- > Also completed the 50% acquisition of Share Dimension in January 2016. Share Dimension is a Dutch software company specialising in predictive analytics and intelligence solutions for cinema exhibitors
  - > Synergies with Vista Entertainment Solutions
- > Established distribution agreement with Cote Cine Group (CCG), to distribute Vista Cinema and Veezi software in France

1. Acquired January 2016







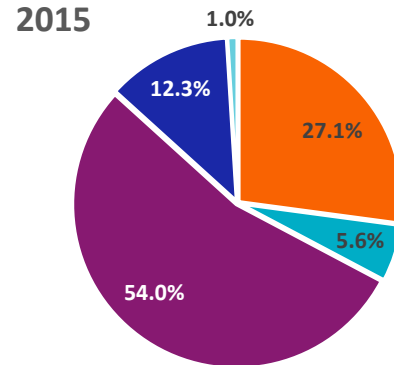
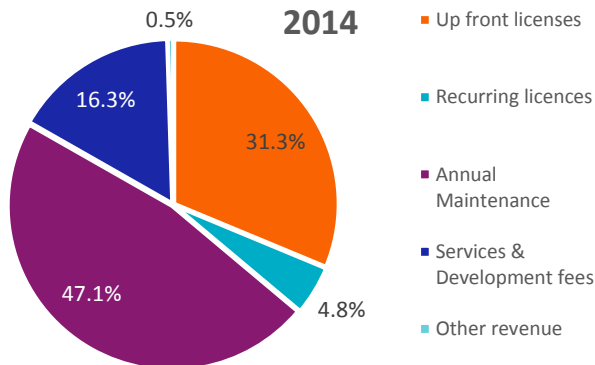
# VISTA GROUP – OPERATING PERFORMANCE



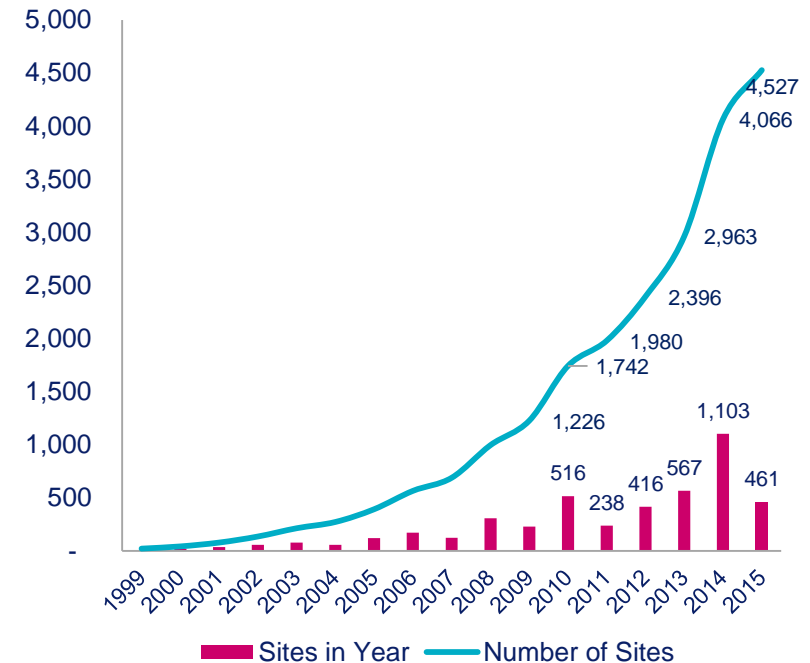


# Vista Entertainment Solutions

- > Another very strong performance
  - > 461 sites installed in 2015 (excluding Ticketsoft and CCG sites)
- > Regal's commitment to Vista strengthened further – that will increase their contribution in 2016 and beyond
- > Continuing investment to drive future growth
  - > Development and customer support resources
  - > Investment in internal innovation to drive new product and business opportunities
- > Recurring revenue (maintenance fees + recurring license fees) has increased 15% from 2014 levels to 60% (see charts below)



Vista Entertainment Solutions installed sites



# Vista Entertainment Solutions



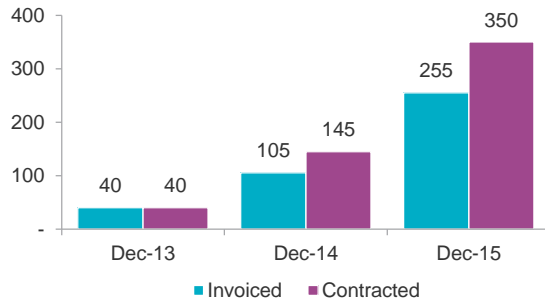
## Large and/or high growth markets

Country	Market update
China	Good base but low penetration in large market
USA/Canada	Strong market share (40%+) but still significant upside
Japan	Distributor appointed
Korea	No presence currently
France	Distributor appointed and initial customer base acquired. French certification obtained. First customer installations completed.
UK	Two of the three major cinema exhibitors as customers.
Mexico	The two major cinema exhibitors are customers. Market share in excess of 90%
Australasia	Over 85% market share
Brazil	Government compliance approvals expected in 2016
Russia	Distributor appointed and major exhibitor implemented
India	Large penetration of multiplex market. Opportunity is now for Veezi with independent cinemas

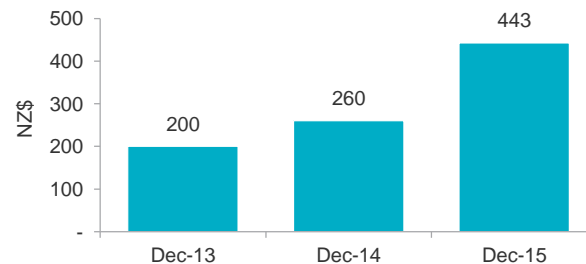


- > 350 total installed sites by 31 December 2015 – more than 100 over PFI forecast
- > Revenue building with additional revenue from on-line fees, and additional chargeable modules, has increased average revenue per site
- > Certification for Veezi granted by Chinese authorities in 2015
- > Opportunities in France, via new Vista reseller given France has a large number of smaller independent exhibitors
  - > Significant product development for France is ongoing
- > Work for India was largely completed in 2015 and 2016 should see this market open up
- > Many product enhancements to address market and new territory requirements, and new revenue opportunities in existing customer set

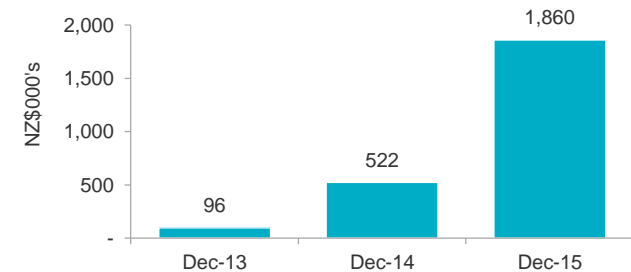
Site numbers



Average revenue per site



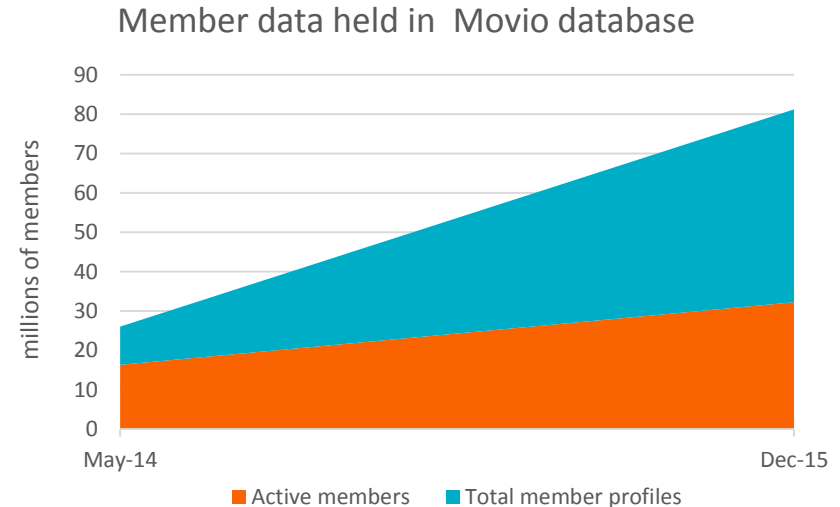
Annualised recurring revenue



# Movio



- > Movio Cinema
  - > 37 Circuits using Movio Cinema – up from 20 at start of 2015
  - > 81 million members in the Movio database – the largest database of cinema going individuals in the world
  - > 745 million emails sent in 2015 – up 53%
  - > SMS integration introduced in Q4 – 500,000 SMS sent
  - > Movio functionality continues to act as a draw card for Vista Entertainment Solutions to potential customers
- > Movio Media
  - > Launched in USA in April 2015
  - > 18 Film trial campaigns run across 6 studios: Fox, Lionsgate, Paramount, Universal, Sony, Warner Bros
  - > Agreement with Sony Pictures Entertainment
    - > Movio Media's services on five films between now and 31 July 2016
  - > Significant development continued through 2015
- > Movio Staff now 52 – up 44% on 2014



# MACCS



- > Core business performed well in 2015, with new 10 new customer installations of MACCS
- > Now installed in 45 territories
- > Signed Warner Bros. in USA
  - > Significant product development being undertaken and full implementation expected in the second half of 2016
- > Warner Bros. development will produce a USA version of MACCS in Q1 as a first deliverable, This will provide opportunities with other US based distributors
- > Progress with the introduction of Maccsbox to several new territories in 2015
  - > Clearing house for box office reports or invoicing between cinema exhibitors and film distributors
  - > Charge on a usage basis
  - > Maccsbox is now the standard for this function in 12 territories



**MACCS**  
INTERNATIONAL

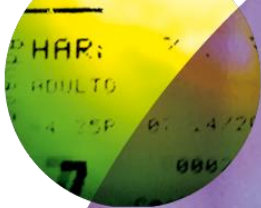
# Numero



- > Numero provides fast and accurate box office numbers for film studios, distributors and cinema exhibitors
- > Now collecting box office results for over 99% of the Australasian market
- > Launched LIVE box office reporting service delivering up to the minute results from major multiplexes
- > 7 years of historical data now available
- > Future Film Release Calendar now available
- > 2 major studios in Australia have now signed for subscription services. Other studios are close to signing.







# VISTA GROUP - FINANCIAL PERFORMANCE



# Trading Performance

NZ\$m	2015 Actual	2015 PFI		2014 Actual	
Revenue	65.4	61.5	6.3%	47.2	38.6%
Operating Expenses	55.3	49.7	11.3%	41.6	32.9%
Operating Profit	10.2	11.8	(13.6%)	5.6	82.1%
Net Profit attributable to shareholders	5.8				
Adjusted Net Profit	9.0	8.1	11.1%	8.2	9.8%

Note: 2015 actual Operating Profit and Net Profit attributable to shareholders includes the expense accrual for the Movio deferred consideration, acquisition expenses and the amortisation of Intangibles with respect to Ticketsoft and CCG

During the year the 2014 actual was restated from \$4.0m to \$8.2m due to an audit review requiring Vista Group to alter the acquisition accounting and the recognition of the contingent consideration on Movio. These were non-cash adjustments.

NZ\$m	2015 Actual	2015 PFI		2014 Actual	
EBITDA	15.1	13.2	14.4%	9.4	60.6%

Note: This is using the non-GAAP profit measure defined in the Prospectus dated 3 July 2014. EBITDA is earnings before net finance expense, income tax, depreciation, amortisation and offer costs. The expense accrual related to the Movio deferred consideration is also excluded

- > Revenue supported by strong performance from Vista Entertainment Solutions
- > Positive impact of lower NZ dollar through the year assisted revenue
- > EBITDA measured on comparative basis shows strong increase
- > Operating expenses includes: Amortisation of intangibles in relation to Ticketsoft and CCG of \$0.6m, Movio contingent consideration of \$2.0m, LTI costs of \$0.2m and acquisition costs of \$0.7m. These one off costs have been backed out of adjusted Net Profit to compare underlying performance to the 2015 PFI.

# Reconciliation to NPAT

## NPAT reconciliation

NZ\$m	Value	Tax Effect	After Tax Value
<b>2015 Net Profit attributable to shareholders</b>			<b>5.8</b>
- Movio Contingent Consideration	2.0	0%	2.0
- LTI accrued expense	0.2	28%	0.1
- Acquisition expenses	0.7	28%	0.5
- Amortisation of Ticketsoft and CCG Intangibles	0.6	0%	0.6
<b>2015 Adjusted Net Profit</b>	<b>3.5</b>		<b>9.0</b>

# Financial Position



NZ\$m	2015 Actual	2015 PFI	2014 Actual
<b>Current assets</b>			
Cash and short term deposits	27.3	43.5	30.7
Other receivables	30.5	19.6	22.1
	<b>57.8</b>	<b>63.1</b>	<b>52.8</b>
<b>Non current assets</b>			
Plant and equipment	2.4	3.1	2.0
Intangibles	50.5	40.2	40.1
	<b>52.9</b>	<b>43.3</b>	<b>42.1</b>
<b>Total assets</b>	<b>110.7</b>	<b>106.4</b>	<b>94.9</b>
<b>Current liabilities</b>	24.2	26.2	17.6
<b>Non current liabilities</b>			
Loans	4.8	4.8	4.7
Deferred consideration	2.7	1.7	1.8
	<b>7.5</b>	<b>6.5</b>	<b>6.5</b>
<b>Net assets</b>	<b>79.0</b>	<b>73.7</b>	<b>70.8</b>
Share capital	46.0	46.0	46.0
Retained earnings	22.7	18.6	15.9
Reserves	2.4	-	1.2
Non controlling interests	7.9	9.1	7.7
<b>Total Equity</b>	<b>79.0</b>	<b>73.7</b>	<b>70.8</b>

- > Higher receivables at year end due to higher billing in last quarter and larger December quarter maintenance invoicing
- > Cash balance is lower than forecast due to acquisitions
- > Intangibles and Goodwill increased with acquisitions of Ticketsoft and CCG
- > No impairment of Intangibles
- > Current liabilities up in line with increased trading levels
- > Renegotiated Movio contingent consideration and extended commitment period for an additional year. Total deferred consideration is expected to be \$6.7m (of which \$2.9 has now been expensed)
  - > Earn out for deferred consideration now 3 years; paid 40% in March 2016, 30% in March 2017 and 30% in March 2018

# Cash Flow



NZ\$m	2015 Actual	2015 PFI	2014 Actual
<b>Cash received from trading</b>	<b>62.8</b>	<b>60.5</b>	<b>48.2</b>
<b>Cash applied from trading</b>			
Operating expenses	53.0	44.0	39.3
Tax and interest	3.5	3.1	2.2
Listing costs			1.8
	<b>56.5</b>	<b>47.1</b>	<b>43.3</b>
<b>Net cash flow from operating</b>	<b>6.3</b>	<b>13.4</b>	<b>4.9</b>
<b>Cash applied to investing</b>			
Investments	(8.6)	-	(13.9)
Other assets	(1.1)	(1.1)	(1.1)
	<b>(9.7)</b>	<b>(1.1)</b>	<b>(15.0)</b>
<b>Cash from financing activities</b>			
Proceeds from share issue	-	-	38.0
Proceeds from borrowing	-	-	4.8
Borrowings repaid	-	(0.6)	(1.9)
Dividends paid	-	(0.3)	(3.5)
	<b>-</b>	<b>(0.9)</b>	<b>37.8</b>
<b>Net movement in cash held</b>	<b>(3.4)</b>	<b>11.4</b>	<b>27.3</b>
<b>Cash balance at 31 December</b>	<b>27.3</b>	<b>43.5</b>	<b>30.7</b>

- > The high sales in the last quarter and larger December maintenance renewals resulted in higher sales but lower cash receipts in the period. A timing issue only.
- > Cash outflows on operating expenses reflect uplift in trading levels
- > Investment activity includes the Ticketsoft and CCG transactions



# KEY POINTS





# Dividend Policy

- > Dividend policy for FY15 to remain as per Prospectus guidance
  - > That is there is no intention to pay a dividend on the FY15 results
  
- > Dividend policy for Vista Group has been reviewed and set for the future.
  - > Dividend policy for FY16 and beyond is 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.

# Growth strategies – comparison to Prospectus



## Vista Entertainment Solutions

Expansion of market share	✓	>	Growth market share in key markets; US now over 40%, UK and Europe, China market shares have also grown
Expansion into new markets	✓	>	New countries include France, Belgium, Switzerland, Indonesia, Scandinavia, > Distributors now in France, Japan and Russia



## Veezi

Expansion into the USA	✓	>	2015 expanded into US and UK > Customer installations in 17 countries
Engagement with film distributors	✓	>	Agreements with Rentrak and Fandango, integration built with Paramount



## MACCS

Expansion into the USA	✓	>	Secured an agreement with Warner Bros. in USA
Expansion into new products	✓	>	Development of Maccsbox+ as an international platform. Deployed now in 12 countries. Deployment in USA completed.



## Movio

Promote significant growth in US, Europe, South America and Asia	✓	>	Movio signed customers in US, Europe, South America and Asia – grown number of circuits using Movio Cinema by 85% in 2015
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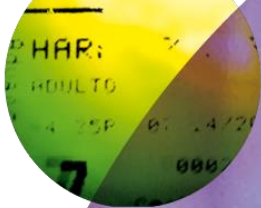


## Numero

Launch in Australasia	✓	>	Collecting box office results for over 99% of the Australasian market, and 2 major Studios signed up.
Expand internationally	-	>	Remains a strategic target

# Outlook

- > Historic CAGR for Group has been in 20% to 30% range – we would expect that to continue
- > Strong start to 2016 year for Vista Cinema, many good prospects
- > Veezi expected to grow at a faster rate with addition of France, China and Indian markets
- > Movio to continue sales of Movio Cinema and begin to monetize Movio Media in 2016
- > Numero will add more studios in ANZ and look to branch outside ANZ
- > MACCS to release USA version - MACCS 9 - to the USA market prior to deploying Warner Bros.
- > Focus on integration of Share Dimension into the group and selling their products to Vista customers
- > Some capitalization of software development as Vista Group undertakes larger software development projects.
- > Additional acquisitions can be expected in 2016



# QUESTIONS

