



VISTA
GROUP

Vista Group – FY 2016 Half Year Results

26 August 2016

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

AGENDA

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





VISTA GROUP – RESULTS HIGHLIGHTS & GROUP UPDATE



Result Highlights

- > Consolidated Vista Group Revenue of \$40.7m represents growth over first half FY2015 of 49% (42% excluding acquisitions)
- > Performance compared to FY2015 half year

NZ\$m	30 June 2016	30 June 2015	
Revenue	40.7	27.3	49%
EBITDA ¹	5.3	3.6	47%
Net Profit	2.4	1.1	118%

Highlights

- > Completion of 3 strategic acquisitions during the first half of FY2016
- > Vista Group continues to invest in projects to sustain and build future growth. Headcount numbers (excluding new acquisitions in FY2016) have increased to 435, representing an increase of 85 employees or 24%.
- > Announcement and completion, post balance date, of a new venture in China with Tencent affiliate – WePiao to take advantage of the rapidly expanding Chinese film market.

Outlook for second half of FY2016 continues to look positive for the business

(1) EBITDA is defined as earnings before depreciation and amortisation (\$1.2), net finance expenses and income tax.

VISTA GROUP UPDATE

- Founded 1996 & listed on NZX/ASX in Aug 2014 with market cap of \$187M; now \$538M. A 187% increase in 2 years
- 435+ staff & offices in 8 cities:
 - Auckland, Sydney, London, LA, Dallas, Holland, Shanghai, Romania
- Completed the acquisitions of :
 - 50% of Share Dimension, 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 (post the half year period) of the new venture in China which will transition Vista China to an associate company in the second half of 2016
- Commencement of the agreed revenue from the 161 CCG sites in France for Vista Cinema



— VISTA ENTERTAINMENT SOLUTIONS —

MOVIO

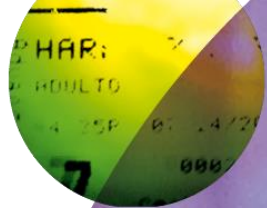
MACCS
INTERNATIONAL

numero

 SHARE
DIMENSION®

POWSTER

FLICKS



VISTA GROUP – OPERATING PERFORMANCE & TRADING METRICS



VISTA GROUP – TRADING METRICS

TOTAL REVENUE ANALYSIS

25%

AVERAGE REVENUE
GROWTH PER YEAR
FOR LAST 3 YEARS

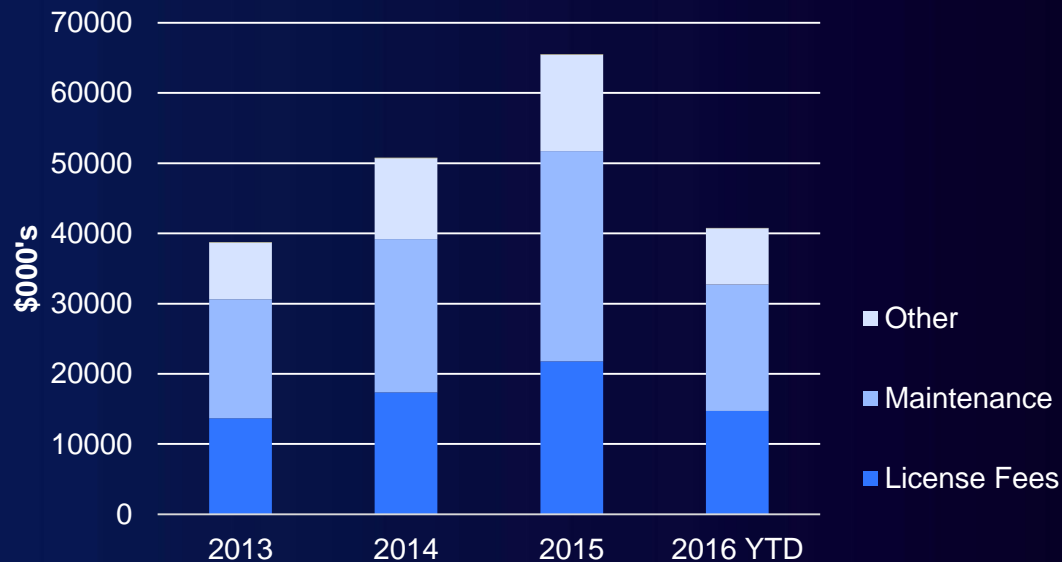
66.3%

OF FY2016 TOTAL REVENUE
IS RECCURRING REVENUE

49%

REVENUE GROWTH
OVER FY2015 HALF YEAR
*42% EXCL. ACQUISITIONS

PROFORMA REVENUE ANALYSIS



Vista Entertainment Solutions



- > Another very strong performance
 - > 329 new sites installed
 - > 161 sites added via CCG distribution agreement
- > Significant deployment to Jinyi in China of 119 sites
- > Continuing investment to drive future growth
 - > Addition of 47 new staff despite tight labour market in our sector
 - > Investment in internal innovation to drive new product, integration across Group businesses and new business opportunities
- > Movieteam product launched in the USA. Positive interest to date
- > Signing of Ster Kinekor, a significant customer, in South Africa for second half 2016 implementation



VISTA CINEMA – METRICS

AVERAGE LICENSE
REVENUE PER SITE

↑ **4%**

FROM 2014

AVERAGE LICENSE
REVENUE PER SITE

\$26k

OVER 3 YEARS

AVERAGE MAINTENANCE
REVENUE PER SITE

↑ **20%**

FROM 2014

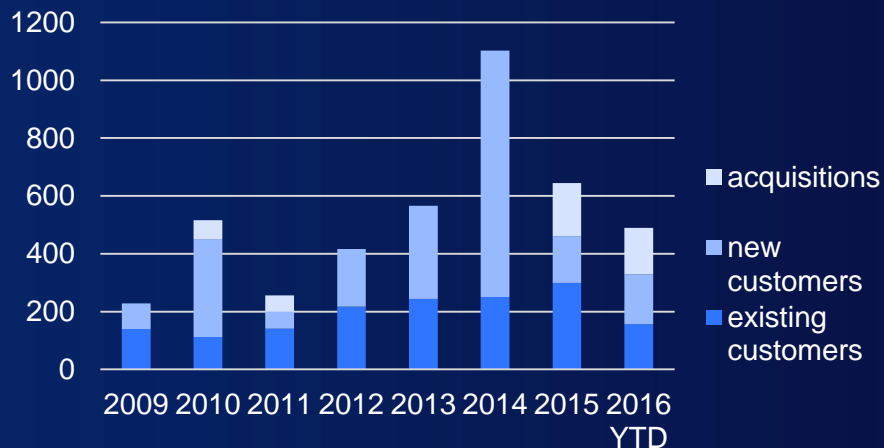
AVERAGE MAINTENANCE
REVENUE PER SITE

\$6k

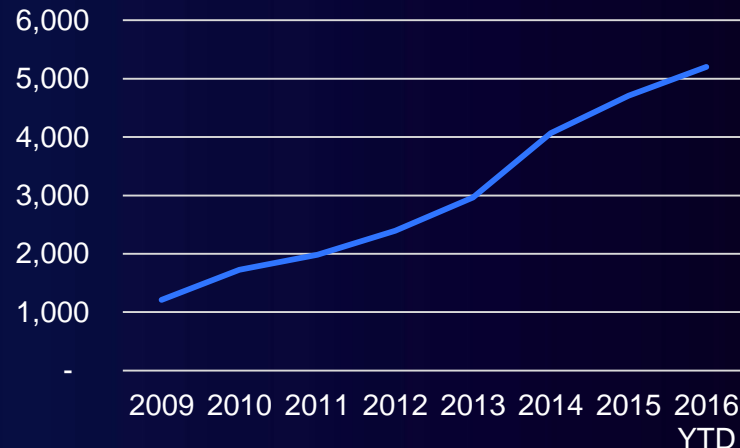
OVER 3 YEARS



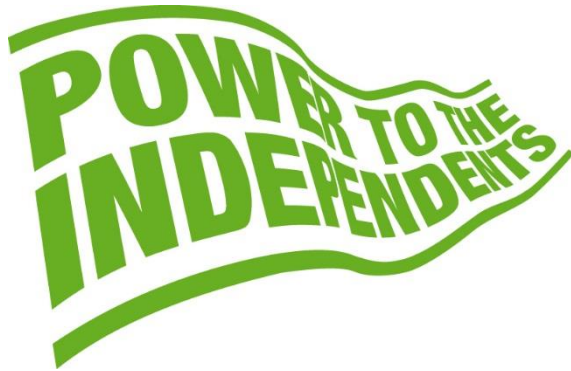
NEW SITES ADDED



TOTAL SITE COUNT



- > 429 contracted sites by 30 June 2016
- > Average revenue per site increased to \$500 per month
- > Entry to France via the CCG distribution agreement has been well progressed
- > Opportunities to enter China and India are progressing



VEEZI – METRICS

429

GLOBAL TOTAL OF
CONTRACTED SITES

\$2.65M

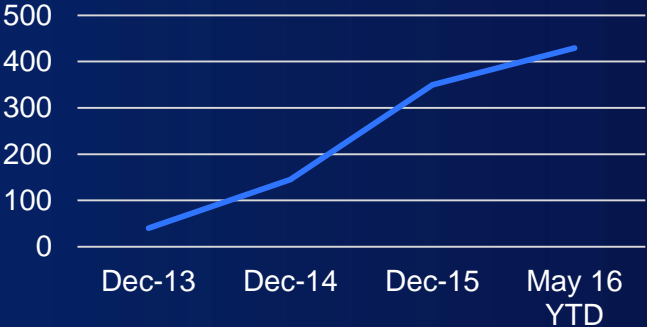
ANNUALISED RECURRING
REVENUE

\$500

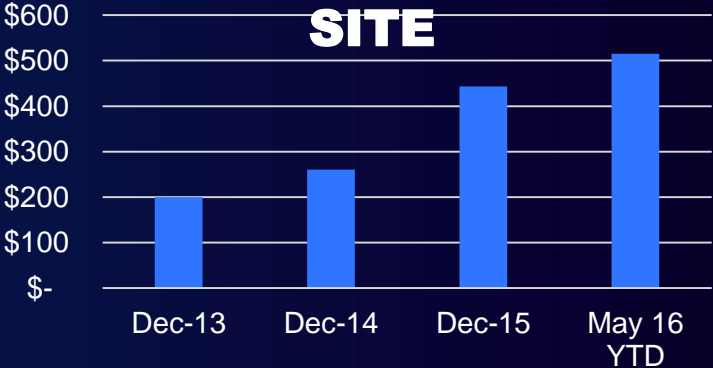
AVERAGE REVENUE
PER SITE EACH MONTH



TOTAL SITE COUNT



AVERAGE REVENUE PER SITE



Movio

- > Movio Cinema
 - > Continued expansion of customer footprint. Recent success in US, Europe, Middle East and Africa
 - > Email volume is at record levels
 - > New SMS module use is growing rapidly
 - > Movio functionality continues to act as a draw card for Vista Entertainment Solutions to potential customers
 - > Previously signed customers now live with full Movio Cinema functionality
- > Movio Media
 - > Continuing to gain traction.
 - > Key contracts with NCM, Sony and Warner Bros.
 - > Development is progressing on a second generation product to further refine the offering and address additional market requirements
 - > Negotiations with new prospects continues with a number well progressed.



MOVIO CINEMA – METRICS



CONTRACTED CUSTOMER
TOTAL 26,424 SCREENS

390%

GROWTH SINCE 2013

REVENUE GROWTH

↑ 85%

YEAR ON YEAR

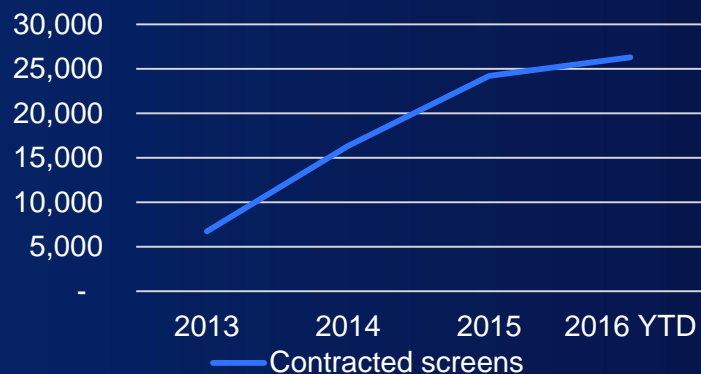
REVENUE PER 1,000
ACTIVE MEMBERS

\$225

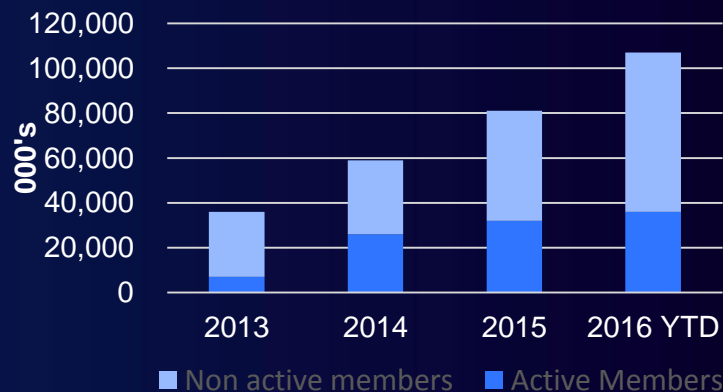
AVERAGE SINCE 2014



SCREEN COUNT



MEMBER DATABASE



MOVIO

MACCS



- > Revenue up 33% over FY2015 half year
 - > Core business performed to expectation
 - > Revenue from the contract with Warner Bros. in USA provided a key uplift in overall performance
- > Continued penetration and market share growth in other international markets



MACCS
INTERNATIONAL

Numero



- > Collecting box office results for over 99% of the Australasian market
- > 6 major studios in Australia have now signed for subscription services.
- > Opportunities in other major territories are being progressed.





VISTA GROUP - FINANCIAL PERFORMANCE



Trading Performance



NZ\$m	For six months ended		
	30 June 2016	30 June 2015	
Revenue	40.7	27.3	49%
Operating Expenses	35.8	26.3	36%
Foreign exchange losses / (gains)	0.8	(1.9)	
Operating Profit	4.1	2.9	41%
Net Profit attributable to shareholders	2.4	1.1	118%
Net Profit before Tax	4.2	2.6	62%

NZ\$m	2016 Actual	2015 Actual	
EBITDA	5.3	3.6	47%

Note: EBITDA is earnings before depreciation and amortisation (\$1.2), net finance expense and income tax.

- > Revenue has increased strongly across the Group and excluding acquisitions is still up 42%
- > Operating expenses reflect the increase in scale of the business
- > Foreign exchange impacts FY2016 result negatively due to higher NZ dollar subsequent to Brexit vote in June.
- > EBITDA measured on comparative basis shows strong increase

Financial Position



NZ\$m	30 June 2016	31 December 2015
Current assets		
Cash and short term deposits	13.2	27.3
Other receivables	35.2	30.5
Assets held for sale	6.9	-
	55.3	57.8
Non current assets		
Plant and equipment	2.6	2.4
Intangibles	59.9	50.5
	62.5	52.9
Total assets	117.8	110.7
Current liabilities		
Liabilities held for sale	3.4	-
Other current liabilities	24.5	24.2
	27.9	24.2
Non current liabilities		
Loans	4.7	4.8
Other non current liabilities	2.1	2.7
	6.8	7.5
Net assets	83.1	79.0
Share capital	47.7	46.0
Retained earnings	25.1	22.7
Reserves	0.3	2.4
Non controlling interests	10.0	7.9
Total Equity	83.1	79.0

- > Higher receivables at 30 June 2016 due to revenue growth of 40% plus increase in accrued revenue balance
- > Cash balance has reduced due to acquisitions
- > Intangibles including Goodwill increased with acquisitions of Powster, Share Dimension and Flicks
- > No impairment of Intangibles
- > Current liabilities up in line with increased trading levels
- > Assets and liabilities classified as held for sale relate to Vista China due to the post balance date completion of the transaction with WePiao

Cash Flow



For six months ended

NZ\$m	30 June 2016	30 June 2015
Cash received from trading	39.1	30.9
Cash applied from trading		
Operating expenses	(35.7)	(21.6)
Tax and interest	(1.6)	(1.8)
	(37.3)	(23.4)
Net cash flow from operating	1.8	7.5
Cash applied to investing		
Investments	(9.2)	8.3
Other assets	(1.9)	0.5
	(11.1)	(8.8)
Cash from financing activities	-	-
Net movement in cash held	(9.3)	(1.3)
Foreign exchange differences	(1.7)	-
Opening Cash balance 1 January	27.3	30.7
Cash balance 30 June	16.3	29.4

- > Cash receipts reflected the higher trading in the last quarter with cash to be collected in Q3 and Q4.
- > Cash outflows on operating expenses reflect uplift in trading levels
- > Investment activity includes the Powster, Share Dimension and Flicks acquisitions
- > FX differences – translation of foreign currency at 30 June 2016



CHINA TRANSACTION



Transaction overview

- > Vista Group is bringing WePiao, a scale local Chinese operator and an affiliate of Tencent, in to Vista China as a partner to grow Vista China's position in the China film market.
- > Vista China will have exclusive distribution rights to Vista Cinema, Veezi, Movio, Maccs and Numero in China under a long term distribution agreement.
- > The regulatory approvals required for the transaction have now been fulfilled and completion under the agreements has occurred.
- > The first tranche payments due under the agreements have been completed and the second tranche payments due on completion are now being processed.
- > Vista Group will hold 40% of the new venture going forward.
- > WePiao will subscribe for an additional 2.0% of new shares (1,638,805) to be issued in Vista Group. This is at the VWAP price at the time of the original announcement (\$4.871) and will raise \$7.982m.

Transaction overview

- > Transaction Values
 - > Vista Entertainment Solutions has sold shares in Vista China and will receive circa \$17m for these
 - > WePiao has paid circa \$33m to subscribe for additional shares in Vista China to provide the necessary working capital for the business to fund the distribution payments to Vista Group and the future growth of the business. This is a significant commitment to the new venture.
 - > Vista Group has entered distribution agreement with Vista China that has the following revenue flows:
 - > On completion Vista Group will receive up front fees with respect to maintenance and localisation/license of circa \$14m
 - > In year 2 Vista group will receive additional upfront localisation/license fees of circa \$6m
 - > From year 4 Vista group will receive ongoing maintenance fees of circa \$2m
 - > The revenue accounting treatment for these funds is being discussed with our auditors
- > From completion, Vista Group will account for its 40% equity share in Vista China as an associate



OUTLOOK



Outlook

- > The half year result supports the revenue growth projection for FY2016 of 20% to 30%
- > The pipeline for future revenue remains strong
- > Veezi expected to grow at a faster rate with addition of France, China and Indian markets
- > Movio to continue sales of Movio Cinema and to enhance the monetisation of Movio Media
- > Numero will add more studios in Australasia and look to branch outside the Australasian region
- > MACCS to continue deployment to Warner Bros. in the USA and expand opportunities in global territories
- > Integration of the newly acquired entities will bring benefits to the Group and provide additional revenue opportunities as new product offerings can be released.
- > Vista China will establish itself under the new JV structure and commence the plan to grow its business in China



QUESTIONS

