Media Release

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Vista Group in the Box Seat for the Future of Movies

Vista Group (VGL) reported its 2020 full year results today, showing good progress on innovation, deeper customer relationships and a strong position of the recovery of cinemas globally.

Kimbal Riley, Vista's Group Chief Executive, commented "Vista has successfully navigated a very challenging 2020. I would like to thank all our stakeholders who have contributed to position Vista strongly to take advantage of the coming recovery. After a very difficult first half, the second half was well managed by our team, supporting our customers and ensuring we are in the best possible health for what 2021 will offer."

"At the half year announcement, I talked of our resilience, so it is great to be able to talk about our hard-earned position of strength. Regardless of when and where the recovery comes in 2021, Vista is positioned better than ever to help our customers back onto their feet and our moviegoers back into their seats."

"As promised, we have delivered a great cash performance whilst not compromising on our investment in innovation. Vista Cloud's first Digital customer and Madex's first commercial trial are testament to our continued focus on relevant and meaningful product development. The pace of the Vista Cloud development will continue to accelerate in 2021 for pilot customers late in the year and full commercial launch in the first half of 2022."

Key Financial Metrics
- Positive operating cashflow of $3m, down 81% on 2019
- $3.7m per month average second half cash burn, within forecast range $3-4m per month
- Revenue of $88m (61% of 2019) with recurring revenue of $66m (74% of 2019)
- EBITDA[1] loss of $11m, including non-cash expected credit loss and credit risk provisions of $13m
- Loss after tax $57m, includes $70m net non-cash items[2]
- Year end cash balance of $67m, plus $39m undrawn debt facilities

Key Operational Metrics
- Maintains 51% market share of the 20+ screens segment excluding China
- First customers for Vista Digital and Madex, Odeon UK/Ireland roll out complete (120 sites)
- Vista Cloud represents 60% of Vista Cinema development funding
- Continue to add new customers: Vista Cinema, Movio Cinema, mica

The trading performance for 2020 reflected the wider market conditions. Reported revenue was down 39% for the Group with non-recurring revenue, primarily one-off license revenue in Cinema, particularly impacted, down 62%, as customers continue to defer capital projects. Recurring revenue was down 26%.

Though market statistics are harder to come by and less useful than usual, Vista Cinema maintained its market share in 2020 at an estimated 51% of the global enterprise market (20+ screens) excluding

China. New site additions of 216 includes the go-live of Odeon UK/Ireland and more than offset anticipated closures of 179 sites. Revenue in Cinema was down 43% primarily driven by lower on-premise licence sales. Vista Cloud's first Digital customer went live on the web platform and overall Vista Cloud development is accelerating.

Movio, who delivers data driven marketing solutions for the film industry, reported revenue down 42%. Given the state of the studio and cinema industry and that Movio is data intensive in nature, this is a good result, and shows the importance of Movio's product suite to the cinema clients in particular. Even though box office was down 70%, traffic through Movio Cinema was down only 23% as cinemas continued to use Movio to engage with their moviegoers. The Movio team have used the period of subdued cinema and studio activity to make significant headway on their full product suite, to revisit the first principles that started the business ten years ago, and to re-engineer each of their core offerings. Movio Research 2.0, Madex and Movio Metrics were all launched in 2020.

The Group completed the major aspects of our 'simplification' theme with the acquisition of the remaining external shareholding in our Maccs and Cinema Intelligence businesses. The integration of the Maccs business with our Numero business is well under way as we look to increase the proportion of our overall Group activities coming from the studio and distributor segments. Of all our businesses Maccs and Numero were least impacted by the pandemic, with sustained engagement with customers in all territories, and a healthy pipeline of prospective business as the year ended.

Our moviegoer focused businesses – Powster and Flicks – enjoyed mixed success in 2020. The Powster showtimes business was impacted by the lack of cinema showtimes as cinemas closed, an impact somewhat lessened by an uptick in creative project work. Flicks is a small business, but their move to include streaming content in their movie destination sites has been received positively both in New Zealand and Australia.

Vista China, which is an associate and is not consolidated into the Group results, was hit particularly hard early in the pandemic and actively restructured its cost base to minimise cash outflows. It operated on breakeven cash flow for the second half of 2020 and by year end more than 90% of China cinemas were open.

Despite the COVID-19 pandemic Vista Group continues to maintain a strong balance sheet. The Group has $67m of cash and $39m undrawn debt facilities at its disposal, enough to see it through 2021 and beyond at current run rates. Collections continue to be better than initially anticipated and the cost reduction programme from the middle of 2020 has been locked in. There is no change to the carrying value provisions taken at the half year. Vista Group generated a positive cashflow from operating activities of $3m and its cash draw is within forecast.

For further information please contact:

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[1] See section 2.2 of the Financial Statements in the 2020 Annual Report for the definition and reconciliation of EBITDA.
[2] See section 4.1 of the Financial Statements in the 2020 Annual Report.