



Media Release

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Vista Group Results for 2019

Vista Group (VGL) is reporting its 2019 result showing continued growth across its businesses. With its global film industry vertical integration strategy, Vista Group has shown significant success in its drive toward achieving majority world market share across its movie industry sectors. Vista Group is now three times, by revenue, the size it was in 2014 when it listed on the NZX and ASX.

An overview of the wider movie industry showed that 2019 was another good year for the film industry, with global box office of \$US42.5b, an all-time high. European receipts were up 4.5% on 2018 to a new record high and domestic US box office recorded \$US11.4b, the second best year ever. China continued to break records in attendance, screen growth and film releases in 2019.

Kimbal Riley, Vista's Group Chief Executive, commented that "this result underlines the fundamental strengths of Vista Group. We continue to make strong progress in serving our customers globally, delivering on our mission to enhance the moviegoer experience. We have grown our revenue, reported a strong EBITDA result and continued our much-admired track record of putting innovation in the hands of our customers, and their moviegoers."

Vista Cinema, VGL's founding and largest business, continues to consistently add around 800 sites per year. In 2019, by adding 857 new sites to its slate, it now serves over 8,000 sites worldwide representing 40% of all large circuits. Revenue was up 17% and like for like EBITDA up 9%. Recurring revenue was steady at 52% of total revenue and revenue from third parties in the ecosystem increased strongly. Particularly pleasing is the expansion of revenue sharing from payment processing partners. Vista Cinema continues to invest in its product roadmap. A special mention goes to the product development organisation in Vista Cinema, who have delivered new products, innovated with existing products, taken on new implementations for the world's largest cinema chains and embarked on a significant SaaS transformation. Veezi continues to build momentum with 161 additional sites added and now serves more than 1,000 customers worldwide. Veezi ARR (excluding China) was up 22% in the year – driven by increase in sites and a modest increase in revenue per site.

Movio, the VGL business that delivers data driven marketing solutions for the film industry, saw Movio Cinema and Movio Research (now split out from Movio Media) reporting solid growth, 19% and 15% respectively, in their customer base and revenues. Pleasingly, Movio Cinema is now in 57 countries, with strong growth particularly in EMEA in the last 12 months and 100% of Movio Research's revenue is now recurring in nature. Movio Media was flat on 2018, however it made strong progress in the key area of digital campaigns (68%). This offset a reduction in direct campaigns (16%). The Moviegoer Data Platform announced in 2019 has progressed well and will have its first pilot customer in test from March 2020.



The Additional Group Companies segment produced an improved result with Maccs being the standout performer, recording strong revenue growth of 21% and positive EBITDA, while launching its new Mica offering, aimed at serving the independent distributor market segment. Numero had a good year, with revenue up due to wider customer uptake and was breakeven for Q4 2019. Powster grew steadily in the year whilst building its internal capabilities in the US to complement its UK offering. The volume of contracts and project opportunities increased in Q4 2019 and Powster enters 2020 with a strong pipeline. Traffic across the Powster platforms increased 23% over the prior year. Flicks continues to extend its lead as the largest independent movie site in Australasia. Sales and marketing investment in Australia resulted in good growth in the second half of the year. Users were up 13% over 2018.

The Early Stage Investments segment generated revenue of \$2.9m and an EBITDA loss of \$1.3m in 2019. Both Cinema Intelligence and movieXchange are tracking to breakeven and will be folded into the Cinema segment from 2020, as there is a significant overlap in current and expected customer base. This will materially reduce both businesses' sales and marketing costs.

For VGL's Associates and Joint Ventures segment, Vista China's revenue was slightly down on 2018 and its net loss reduced significantly. Vista China's percentage of revenue based on share of online ticket sales reached 80% by year end and the team have fine-tuned their strategy to focus on luxury top end cinemas with partner relationships for independent market. In December 2019, Vista Group announced that it has agreed to purchase a further 14.5% of Vista China capital from its partner WePiao. Due to the uncertainty around the impact of the coronavirus (COVID-19), Vista Group initiated discussions with its partner in February 2020 that it intends to pause the transaction until the impact can be better assessed. Stardust was deconsolidated in February 2019 and continues to be run independently of the Vista Group.

Key Financial Metrics

- Revenue up 11% to \$144.5m
- EBITDA down 5% to \$31.1m on a like for like basis
- Operating cashflow of \$15.5m
- Final dividend of 2.1 cents per share

Key Operational Metrics

- Vista Group global leadership position in the cinema industry grew to 51% market share of the 20+ screens segment excluding China, up from 48% in 2018
- 857 new Vista Cinema sites (including 143 sites in China) – another very strong year of site growth to a cumulative 8,059 sites
- Core revenue growth (Cinema and Movio) 16% for the year
- 11% growth in recurring revenue to \$88.2m – representing 61% of total revenue.

For further information please contact:

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