



## MARKET ANNOUNCEMENT

26 February 2016, Vista Group International Ltd, Auckland, New Zealand

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### **Vista Group FY2015 Financial Results – Strong performance exceeding historic CAGR revenue growth and Prospectus Forecasts**

#### ***Highlights***

- Revenue of \$65.4m up 39% and EBITDA of \$15.1m up 60% on FY14 actuals
- Performance exceeded the FY15 Prospective Financial Information (PFI) with revenue up 6% and EBITDA<sup>1</sup> up 14%
- Another Strong performance by Vista Entertainment
- Veezi exceeded PFI for installed sites and revenue
- Movio has increased cinema customer member profiles 212% since May 2014 to 81m and progresses Movio Media commercialisation to the film distribution market
- MACCS signs Warner Bros. in the USA to its world leading distribution software
- On target with growth objectives from Prospectus (3 July 2014)

Vista Group (NZX and ASX: VGL) has today announced its audited results for the 12 months to 31 December 2015. Overall, performance is stronger than the PFI forecasts contained in Vista's offering documents issued in July 2014 and continues the strong revenue growth achieved in the 2014 year.

Group revenue of \$65.4m was \$3.9m or 6% up on the PFI forecast. EBITDA of \$15.1m and adjusted net profit attributable to shareholders of \$9.0m also exceeded the PFI of \$13.2m and \$8.1m respectively.

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<sup>1</sup> EBITDA is a non GAAP measure and was defined in the Prospectus dated 3 July 2014

## **Divisional overview**

**Vista Entertainment Solutions'** strong performance was helped by the installation of 461 new cinema sites and the significant increase in annual maintenance revenue driven by the strong site growth in the 2014 year and the strengthened commitment from Regal.

The acquisition of Ticketsoft was completed in Q1 and the transition of their 202 sites to Vista cinema is continuing. The appointment of new distributors in France (CCG), Russia (dcinex) and Japan (Vinx) is strategically important to support future growth in new territories.

**Veezi** reached 350 installed sites by the end of the financial year and the implementation of new customer sites is continuing to gain momentum. The main success has been in the USA and UK and this should continue in FY16. The new functions added to VEEZI (web ticketing, Loyalty, Inventory) have added sales benefits plus additional revenue through extra subscription and per ticket revenue. Monthly average revenue per site increased to \$443 (\$260 in FY14). Additional growth should be achieved based on the appointment of CCG as a distributor in France (one of the world's largest independent cinema markets), recent certification in China and opportunities in India.

**Movio's** performance in FY15 has been impressive from a strategic perspective for both its Movio Cinema and Movio Media products. 17 new circuits signed to the Movio Cinema platform, including AMC in the USA, and member profiles in the Movio database increased 212% to 81m (from 26m in May 2014). The Movio Media product has been fully released to the market and the signing of NCM to the full platform was an early success. Major US based studios have continued to contract for use of the product on a campaign basis (Sony has now signed for a 6 month, 5 film project) and the future growth prospects of this product are positive.

**MACCS** achieved its major goal for 2015 and signed Warner Bros. in the USA in July. The core international business has grown with 10 new customers but the major development focus has been on the Warner Bros. project and the associated creation of a product ready for the USA market. This resulted in slightly lower revenue in FY15 as project revenue moved to FY16 due to the later than expected start to the project

**Numero** achieved its goal of 99% box office data collection in Australia and had signed 2 major distributors late in Q4.

## ***Financial overview***

Vista Group's revenue increased by 39% over the previous year and was underpinned by a strong result from Vista Entertainment, the company's core cinema software division. The revenue base was strengthened by the growth in recurring revenue both in dollar terms and as a percentage of total revenue.

The revenue growth was supported by Vista's cloud based offering VEEZI exceeding its installed base and revenue targets. Movio and MACCS revenue were slightly behind forecasts but they are both well positioned for FY16.

EBITDA, a key measure of trading performance for the Group at \$15.1m is up 61% on the 2014 actual and 14% on PFI

Operating Expenses as shown in the statutory accounts include non-operating expenses totalling \$3.5m. To show a NPAT attributable to Shareholders comparable to the PFI an adjusted figure has also been provided. The adjustments are for Movio contingent consideration (\$2.0m), acquisition

expenses (\$0.5m), LTI costs (\$0.1m) and amortisation of intangibles on Ticketsoft and CCG (\$0.6m). The resulting adjusted NPAT of \$9.0m is 10% up on 2014 and 11% on PFI.

Total assets for the Group have increased to \$110m (FY14 \$95m). Cash on hand remains strong at \$27m with receivables higher due to increased invoicing the last quarter of the year. Intangibles have increased to \$50m with the acquisition of Ticketsoft and the CCG customer acquisition. Liabilities have increased in line with trading level increases and Shareholder Funds (excluding non-controlling interests) have increased by \$8m to \$70m.

Trading Cash flow for the Group remained positive. Investment activity (Ticketsoft & CCG) in the year totalled \$9.7m. Overall the Group's cash reduced by \$3m to \$27m but this keeps the Group in a strong position to fund growth and any future investment opportunities.

### ***Dividend***

In line with its previous stated dividend policy there is no dividend declared with respect to the FY15 year.

The Group has reviewed its future policy and it will commence paying dividends for the FY16 year and in the future based on 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.

### ***Outlook***

The start to the 2016 year has been strong and there are many good prospects across all Group companies. The Group expects to maintain revenue growth in the 20% to 30% range as a result. The Group will continue to invest in projects to sustain and build future growth. Some investment will be by acquisition but there will also be a level of investment in internal projects to develop new software and build the capability of the business. This will result in some level of software capitalisation along with some additional expense to build the business capability to prepare for the future.

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