

Annual Results

1 March 2023



Vista Group
International
Limited

2022

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Unless otherwise stated, all information in this presentation is expressed at the date of this presentation and all currency amounts are in NZ dollars.



Agenda


01 **Vista Group summary** Kimbal Riley, Group Chief Executive

02 **Financial results** Matt Cawte, Chief Financial Officer

03 **Operational highlights** Kimbal Riley, Group Chief Executive

04 **Outlook**

05 **Questions**



Vista Group's **purpose** is to bring more people together to **experience the magic** of movies and cinema by creating the platform that **connects the industry** and **powers the moviegoer experience**

Vista Group - 2022

Continued ARR growth as SaaS platform gains momentum

- Strong financial performance highlighted by 38% revenue growth and \$118.0m ARR
- Significant platform signing with Cineplex (top 5 North American circuit) committing to the platform - Digital and Cloud
- Platform now live for over a year sustaining industry leading reliability
- Blockbusters remain staple of moviegoer diet - *Avatar: The Way of Water* became the third highest grossing movie of all time globally (\$2.2b)

"We're back to theaters. Around the world, people are going back to theaters...We need to go to movie theaters and have that experience."

James Cameron, January 2023



Financial results

Financials

Total Revenue

\$135.1m +38%

Recurring Revenue¹

\$112.3m +38%

SaaS Revenue¹

\$38.4m +38%

ARR²

\$118.0m +22%

EBITDA³

\$10.6m +63%

Operating Cashflow

\$12.4m +10%

1. For definitions of Recurring Revenue and SaaS Revenue, refer to section 2.1 of the 2022 Annual Report.

2. ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.

3. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates.

Trading performance

NZ\$m	2022	2021	% Change
Revenue	135.1	98.1	+38%
Expenses	(126.1)	(94.2)	+34%
ECL ¹ benefit	1.0	3.1	
Foreign exchange (FX) gains/losses	0.6	(0.5)	
EBITDA²	10.6	6.5	+63%
<i>EBITDA² excl ECL¹ & FX</i>	<i>9.0</i>	<i>3.9</i>	<i>+131%</i>
Depreciation and amortisation	(17.2)	(13.9)	+24%
Net finance costs	(1.3)	(1.5)	
Other (incl. impairment, share of associates)	(14.6)	(3.4)	
Loss before tax	(22.5)	(12.3)	-83%
Net loss attributable to VGL shareholders	(21.4)	(9.8)	-118%

1. ECL is the non-cash Expected Credit Loss provision, see section 5.1 of the Financial Statements in the 2022 Annual Report.

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- Revenue ahead of guidance, with box office improvements supporting client recovery
- EBITDA² improvement of 63%, or 131% after adjusting for ECL¹ & FX
- Cost growth contained, despite inflation and wage pressure
- Loss before tax includes a one-off write down and equity accounted loss related to Vista China of \$12.9m

Six monthly breakdown

NZ\$m (Six months – unaudited)	1H20	2H20	1H21	2H21	1H22	2H22
Recurring Revenue ¹	32.9	32.6	37.3	44.1	53.5	58.8
Non-Recurring Revenue ¹	11.9	10.1	7.6	9.1	8.9	13.9
Total revenue	44.8	42.7	44.9	53.2	62.4	72.7
Cost to serve	19.0	18.5	16.8	19.6	24.0	26.6
Gross profit	25.8	24.2	28.1	33.6	38.4	46.1
Sales and marketing	5.1	4.7	4.2	5.1	6.8	7.5
Research and development	9.6	9.2	10.3	12.0	12.6	15.0
General and administration	13.2	13.5	11.0	15.2	15.8	17.8
ECL ² expense/(benefit)	5.8	1.1	(3.7)	0.6	(0.1)	(0.9)
Foreign exchange (gains)/losses	(1.4)	0.6	(0.1)	0.6	0.2	(0.8)
EBITDA³	(6.5)	(4.9)	6.4	0.1	3.1	7.5
EBITDA³ excl ECL² & FX	(2.1)	(3.2)	2.6	1.3	3.2	5.8

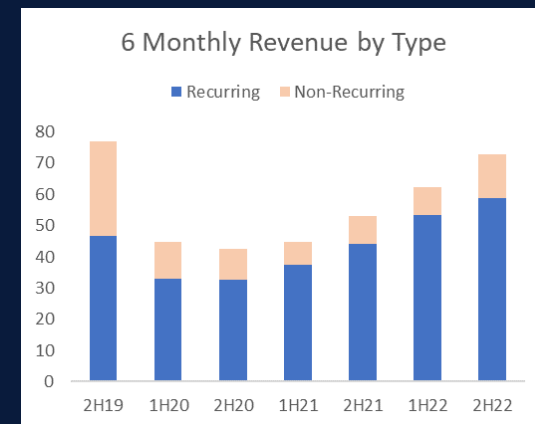
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4. ARR is Annualised Recurring Revenue, calculated as trailing 3 month recurring revenue multiplied by four.

- Six monthly recurring revenue¹ growth of 10%, or 33% year on year
- Favourable impacts of Retriever, hardware and foreign exchange
- ARR⁴ of \$118m as at Dec 2022 (up from \$97m in Dec 2021)



Operating segments

2022

NZ\$m	Cinema	Movio	AGC ¹	Corporate	Total
Revenue	93.5	19.9	21.7	-	135.1
EBITDA ²	19.3	4.9	2.1	(15.7)	10.6
EBITDA % of revenue	21%	25%	10%		8%

2021

NZ\$m	Cinema	Movio	AGC ¹	Corporate	Total
Revenue	66.5	15.1	16.5	-	98.1
EBITDA ²	13.8	2.0	1.3	(10.6)	6.5
EBITDA % of revenue	21%	13%	8%		7%

Revenue growth	41%	32%	32%		38%
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- All segments showed strong revenue growth supported by strengthening box office
- Sustained EBITDA margins² across Cinema and Movio
- Corporate costs include centralised shared services and increases in in-market and corporate activity (marketing, tradeshow, ESG, insurance)

1. AGC is the Additional Group Companies operating segment, as reported in section 2.2 of the 2022 Annual Report. It is an aggregation of Vista Group's portfolio companies, being Maccs, Numero, Flicks and Powster.

2. EBITDA is a non-GAAP measure and is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3 of the Financial Statements in the 2022 Annual Report) and share of equity accounted results from associates. EBITDA margin is calculated as EBITDA over total revenue.

Financial position

NZ\$m	2022	2021	% Change
Cash	46.0	60.4	-24%
Receivables and other current assets	42.6	39.2	+9%
Non-current assets	146.5	143.5	+2%
Current liabilities	(54.1)	(47.6)	-14%
Non-current liabilities	(33.0)	(35.7)	+8%
Net assets / total equity	148.0	159.8	-7%

- Strong balance sheet maintained and cash position of \$46.0m (\$28.4m net of ASB borrowings)
- Updated bank facilities to 2026
- Cash and undrawn facilities of \$70.4m
- Improving aged receivables, long-term aged balances remain key focus area
- Trade agreements signed with Cineworld/Regal through its US Chapter 11 process
- 2022 net assets include the write down of Vista China

Cashflow

NZ\$m	2022	2021	% Change
Receipts from clients	131.5	105.7	+24%
Payments to suppliers & employees	(115.5)	(92.2)	+25%
Settlement of US sales tax provisions	(2.1)	-	
Tax & interest	(1.5)	(3.1)	
Pandemic related subsidies / tax deferrals	-	0.9	
Cash flow from operating activities	12.4	11.3	+10%
Retriever acquisition	(3.3)	-	
Capitalised development ²	(16.8)	(11.9)	+41%
Other investing activities	(1.7)	(1.0)	
Pandemic related support (US PPP loan)	-	(2.8)	
Other financing activities	(5.7)	(2.5)	
Net movement in cash held	(15.1)	(6.9)	
Opening cash	60.4	67.1	
Foreign exchange differences	0.7	0.2	
Closing cash	46.0	60.4	-24%

1. Cash usage is the movement in cash for the period, less the investment in Retriever and settling of US sales tax provisions.

2. Current year capitalised development includes \$0.9m cash outflow for a 2021 accounts payable.

- Positive operating cash
- Capitalised development up with increased investment in SaaS platform
- Average monthly cash usage¹ of \$0.8m in 2022 as platform development continues
- On target for positive free cash flow (FCF) in 2025



Operational highlights

Vista Group Strategy

01



**Support our
clients to rebuild
their business**

02



**Expand our core platform
that delivers value
to our clients and
connects moviegoers**

03



**Create and
invest in new
opportunities**

Vista Cinema

Vista Cinema provides cinema management software to the world's largest cinemas

- Strong recurring revenue¹ growth continues
- Transition of perpetual license clients to subscription progresses
- Early platform adopters experiencing the best technology the market has to offer
- Cineplex, commits to the platform strategy
- Retriever products end of life announced – accelerating transition to Cloud and Veezi
- Veezi revenue ahead of 2019
- Organisational changes to support shift to cloud continue
- Market share and recurring revenue¹ growth in EMEA

Revenue

\$93.5m

+41% vs 2021

EBITDA²

\$19.3m

+40% vs 2021

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Vista Cinema site count¹

(compared to 30 June 2022)

Market	Channel	30 Jun 2022	New Sites ¹	Closures / Losses ¹	31 Dec 2022
Enterprise	Direct	5,058	139	(213)	4,984
	India	1,606	7		1,613
	China	430		(75)	355
	Total Enterprise	7,094	146	(288)	6,952
Independent	Veezi	974	55	(73)	956
	Veezi China	147			147
TOTAL		8,215	201	(361)	8,055

Enterprise Market Share²

51%

1. Management estimate - market data is less available post-pandemic. New sites, closures and losses for India and China are aggregated.

2. Global market share excluding China.

Movio

Global leader in data-driven marketing, providing products and services to exhibitors, studios and film advertising specialists

Movio Cinema EQ

- Record connections of 4.2b, up from 3.2b in 2021
- 2022 target for Movio Cinema EQ migration achieved
- Additional Movio Cinema EQ features, Journeys and Enhanced Reporting, completed and live
- 15 additional clients confirmed for the next wave of migration

Movio Research

- Research Console 3.0 launched in the US and UK
- Campaign measurement deal renewed with TikTok

Movio Media / Madex

- Increased momentum with 4 Movio Media campaigns in last quarter
- 3 campaign Studio trial of Madex underway

Revenue

\$19.9m

+32% vs 2021

EBITDA²

\$4.9m

+145% vs 2021

1. NPS is the client net promoter score and is calculated as a percentage of client promoters less the percentage of client detractors.

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The platform journey

Significant progress has been made on the SaaS platform, and early adopters are getting the first experience of the best technology the market has to offer.

Where are we now

Movio Cinema EQ

- 2022 target of seven Movio Cinema clients migrated to EQ achieved
- Learnings from Alpha and early Beta clients incorporated into next round of client onboarding
- Additional Movio Cinema features delivered for EQ: Journeys and enhanced reporting
- 15+ EQ clients confirmed for migration in next round of Beta

Vista Digital

- Strong offer – focus on Vista Digital technology roadmap delivering client value at scale
- Lumos Mobile – live with first US client

Vista Cloud

- Platform readiness – stability and manageability improvements made across the platform
- Completing the suite – Cloud identity, networking and security now integrated across entire product portfolio

What's coming in 2023 and beyond

- EQ delivering full feature suite from Movio Cinema legacy platform
- Additional EQ features: non-loyalty member targeting and multi-channel campaigns/Journeys, and additional marketing channels
- Continuing to evolve AI segmentation and content creation to establish deeper & wider data profile of movie-going public
- Complete migration of all remaining Movio Cinema clients to EQ and depreciate Movio Cinema legacy platform
- Business development to onboard new Movio clients direct to EQ

- Lumos Kiosk – live with first clients. Web and mobile channels actively displacing legacy products
- Next-gen Digital – industry-leading moviegoer experiences and personalisation features to capture market share.

- Onboarding readiness for scale – significant reduction in deployment time and effort to enable onboarding and updating the platform at scale to target adoption rates
- Platform capability and maturity – essential modernisation of business critical services and offline capabilities to improve performance, reliability, manageability and cost to serve
- Marketplace – initial commercial marketplace iteration, live and learning
- Cloud benefits – enhanced user experience, productivity and decision support features to deliver continuous value for Cloud clients and motivate late adopters

Additional Group Companies (AGC¹)

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Good revenue and EBITDA² growth, especially in Numero
- Mica growth continues to trend upwards with 28 clients live and two deploying
- International market expansion continues for both companies

Flicks

Movie and cinema review and showtime guide

- App launched, and won Bronze at Best Design Awards (NZ)
- Good user growth in NZ, Australia and UK

Powster

World leading film marketing products

- Showtimes improvement driven by improved number of releases
- Creative revenue driven by increased studio budgets to attract moviegoers

Revenue

\$21.7m

+32% vs 2021

EBITDA²

\$2.1m

+62% vs 2021

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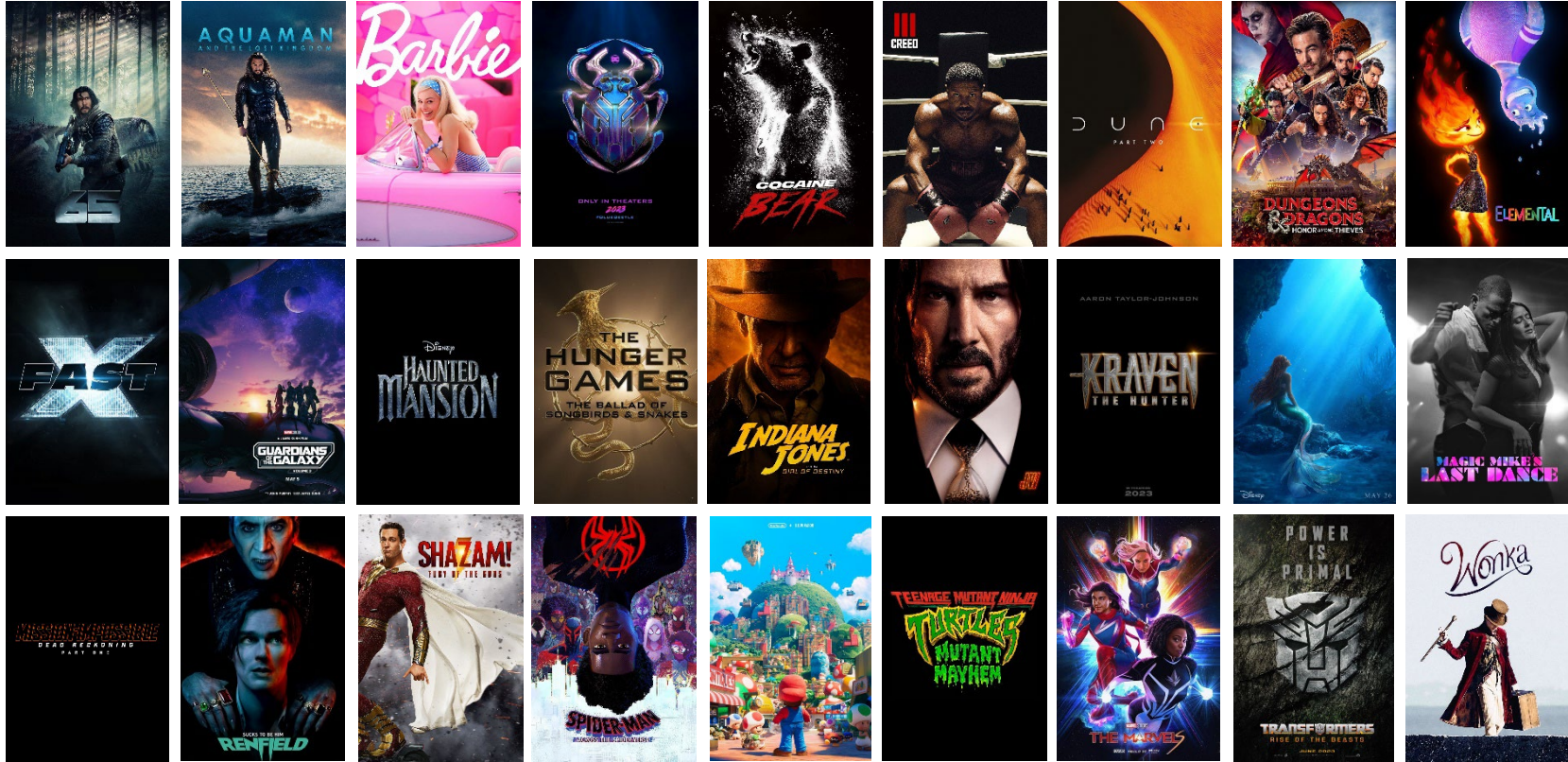
Outlook

Industry outlook

- Global cinema industry continues to build momentum, with blockbusters jostling for release dates again
- Studio pipeline of more diverse content announced for 2023
- Cinema and streaming models settling down to co-exist
- 2023 box office growth forecasts in range of 10-20%, continuing steady improvement



Upcoming Blockbusters



Vista Group Outlook

- 2023 revenue forecast in the range of \$142m - \$147m
- Aspirations from the October 2022 Investor Day reaffirmed
- Larger clients showing strong interest in Digital and Movio Cinema EQ led cloud strategy
- EQ migration expected to be completed by end 2023
- Engineering focus on efficiency of deployment and management
- Focus on operational efficiency



Questions



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