



For immediate release

Vista Group announces continued ARR growth as industry-leading SaaS platform gains momentum

Auckland, New Zealand, 1 March 2023 – Vista Group (VGL) reported its full year results for the period ending 31 December 2022 today, showing a strong operational year with overall revenue up 38% over 2021, and ARR of \$118 million.

Kimbal Riley, Vista Group Chief Executive, commented: “We’re very pleased with our 2022 performance, with the highlights being strong growth and disciplined financial management. Vista Group has outperformed on almost every financial metric, despite the global box office only reaching about 60% of 2019. Importantly, we continue to invest in our transformation into a SaaS platform business, whilst retaining our dominant market share and delivering a sustainable high value recurring revenue stream.”

“Our value proposition is clear, and our platform strategy has ignited strong client interest from cinemas who are excited about a SaaS future. We were delighted to welcome our first clients to Vista Cloud in 2022, rounding out a year of excellent progress with major Canadian cinema circuit, Cineplex, committing to transition to Vista Cloud and Vista Digital. By continuing to drive innovation, our strategy will increase both our relevance and value to our cinema clients. We’re on track to hit our targets and to make a deeply positive contribution to the future of the film industry.”

Financial Highlights

- Total revenue of \$135.1m and Recurring Revenue¹ of \$112.3m, both up 38% on 2021
- ARR² of \$118.0m at 31 December 2022, up 22% on 31 December 2021
- EBITDA³ of \$10.6m (up 63% on 2021) and positive operating cashflow of \$12.4m (up 10% on 2021)
- Capex investment across the SaaS platform continues with capitalised development of \$15.9m for 2022

Operational Highlights

- Cineplex (top 5 North American circuit) signed to Vista Cloud and is expected to go live on Vista Digital in 2023
- Movio Cinema EQ launched, offering a smarter, faster and more streamlined solution for cinemas to improve the way they market movies to their moviegoers
- Maintained 51% market share⁴ of the estimated global enterprise market (20+ screens), excluding China

Industry Highlights

- Global cinema industry continues to build momentum, with strong North American and European markets
- *Avatar: The Way of Water* is now the third highest grossing movie of all time worldwide (\$2.2b)
- The battle of blockbusters is back as studios announce more diverse movies and clamour for best cinema release dates
- Cinemas excited for new digital channels to support greater engagement with their moviegoers

As the global leader in delivering software and data analytics solutions to the film industry, Vista Group's trading performance for 2022 was strong as the industry saw a significant improvement in market conditions, with the more regular release of blockbusters and the global box office hitting \$26b. The year ended with the highlight of *Avatar: The Way of Water* becoming the third highest grossing movie of all time worldwide, joining *Top Gun: Maverick* and *Spider-Man: No Way Home* for 2022 box office records.

Vista Group's reported revenue of \$135.1m was up 38% on 2021 and just ahead of guidance, with recurring revenue¹ and SaaS revenue¹ also up 38%. ARR² closed at \$118.0m up 22% on 2021. EBITDA³ of \$10.6m was up 63% on 2021, and up 131% after adjusting for expected credit loss provisions and foreign exchange movements.

Vista Cinema, Vista Group's largest business, reported revenue up 41% to \$93.5m, with recurring revenue¹ up 42% and non-recurring up 33%. Vista Cinema's EBITDA³ of \$19.3m was up from \$13.8m in 2021. Vista Cinema is estimated to have retained a 51% share of the global enterprise market (20+ screens), excluding China.

Vista Cloud celebrated its first full year of successful operations and ended 2022 with the highlight of major Canadian cinema circuit, Cineplex, joining Vista Cloud and Vista Digital. Significant technology progress has been made on the SaaS platform, particularly with Vista Digital tools, allowing clients new robust ways to engage with their moviegoers. Spend on the development of the platform now represents the majority of Vista Group's innovation investment.

Movio, the global leader in data analytics and campaign management solutions for the cinema industry, reported revenue up 32% to \$19.9m against 2021, as variable fees increased with the strengthening global box office. Movio's EBITDA³ of \$4.9m was up 145% on 2021. Movio Cinema EQ was successfully launched in Q4 of 2022 and is already improving our client engagement with moviegoers in real time. EQ is one of the centrepieces of the platform strategy.

Box office reporting platform, Numero, and film distribution software business, Maccs, reported revenue up 24%. Both Maccs and Numero continue to expand their geographic coverage, with improving box office driving increased transactional and data demands.

Creative studio Powster's revenue was up 42% after seeing an increasing demand for their Showtimes platform and creative services. The forward pipeline of activity is also growing off the back of a stronger, more diverse slate in 2023.

Cinema and streaming discovery platform, Flicks, reported revenue up 22% with improved advertising conditions and good growth in New Zealand and the United Kingdom and consistent performance in the Australian market. In March 2022 Flicks released the Flicks app, which won an award at the Best Design Awards.

Vista Group's balance sheet remains strong with cash of \$46.0m (or \$28.4m net of external borrowings). The Group renewed its existing ASB borrowing facilities during the year and has \$24.4m of undrawn capacity available. Collections performance has continued to improve during the year and Vista Group concluded trade agreements with Cineworld/Regal, a key client, as part of its chapter 11 process in December 2022. Investing cashflow increased as planned during 2022, with the asset acquisition of Retriever and accelerated development of the SaaS platform.

Outlook

Vista Group expects 2023 total revenue to be in the range of \$142m - \$147m and reaffirms its aspirations from the October 2022 Investor Day of a 15%+ EBITDA margin³, ARR² of between \$175m - \$205m and positive free cash flow, in each case by the end 2025.

Executive changes

In December 2022, Kimbal Riley announced his retirement after five years as Group CEO and nearly a decade at the company overall. Stuart Dickinson will commence as Group CEO in April 2023. Stuart is an experienced global technology executive, with more than 25 years of technology leadership experience, leading significant transformation programmes in solutions and systems integration internationally.

Susan Peterson, Vista Group's Chair, said: "On behalf of our Board and management team, I would like to warmly thank Kimbal for all that he has contributed during his time at Vista. Kimbal is a wonderful colleague, mentor and friend for many and will be greatly missed."

Peterson continued "We're delighted that Stuart will be joining as our Group CEO this year, his experience and passion will be invaluable as we continue to accelerate our industry-leading SaaS platform."

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¹ Recurring revenue and SaaS revenue are defined in 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. EBITDA margin is EBITDA divided by total revenue.

⁴ Market share is calculated using management estimates.