

For immediate release

Vista Group transforms as ‘Barbenheimer’ ignites box office

Auckland, New Zealand, 25 August 2023 – Vista Group International Limited (NZX & ASX:VGL) reported its interim results for the period ending 30 June 2023 (**1H23**) today, as the recently announced business transformation accelerates strategy progress.

Stuart Dickinson, Vista Group Chief Executive, commented: “We’ve just seen one of the biggest movie weekends ever, with the July global box office reaching more than USD\$2 billion for *Barbie* and *Oppenheimer*, along with a number of other high performing releases. We’ve been thrilled to see that ‘Barbenheimer’ has resulted in a number of our exhibitor clients experiencing record-breaking days for their businesses. What is doubly exciting is that these two movies are responsible for one of the best opening weekends in film history and they are both original content movies.

“Off the back of an excellent period for the industry, Vista Group is also sharply focused on its future. Last month we announced the business transformation project to streamline operations, bringing benefits to both clients and Vista Group. When completed, this transformation will see Vista Group emerge as a more connected organisation, delivering improved client engagement and opening up new opportunities for the future.”

Industry overview

- Strong box office performance over the northern hemisphere summer, with ‘*Barbenheimer*’ opening weekend delivering the best domestic box office since April 2019
- Q2 global box office produces the best quarterly result since 2019
- Number of domestic movies released in 2023 trending towards pre-pandemic levels with box office outperforming the return of the number of movies.

Operational overview

- Leading UK cinema group Everyman signed to Vista Group’s cloud platform, including Movio Cinema EQ, Vista Digital and Vista Cloud
- Vista Cloud transition accelerates client benefits, with Vista Oneview app live with pilot client, ahead of September 2023 launch
- Business transformation is underway to support Vista Group’s vision and strategy, drive greater client alignment, increase role clarity for our people, and deliver improved financial performance.

Financial overview

- Total revenue of \$69.7m (up 12% on 1H22) and Recurring Revenue¹ of \$60.5m (up 13% on 1H22)
- Combined Cinema and Movio Recurring Revenue¹ of \$49.8m, up 10% on 1H22
- Substantial growth in the AGC segment² with total revenue up 29%
- EBITDA³ of \$2.5m and positive operating cashflow of \$6.2m
- Average monthly Cash Usage⁴ of \$1.2m in 1H23 now expected to become free cashflow positive during Q4 2024 – a year earlier than previous guidance.

Outlook

- Vista Group reaffirms guidance for 2023 total revenue to be in the range of \$142m – \$147m
- Through the organisational transformation and the reprofiled capital expenditure program, Vista Group expects to be free cashflow positive during the fourth quarter of 2024
- Vista Group remains on target to achieve its 2023 ASM aspirations of ARR⁵ between \$175m – \$205m and EBITDA³ of 15+% by the end of 2025.

The box office continues to outperform expectations, with the recent *'Barbenheimer'* weekend being the fourth highest grossing domestic weekend for cinema of all time, with high demand for premium large format seats and concession sales. The diversity of content also continues to expand, and the July domestic box office was 106% of 2019 and is 83% year to date. *Avatar: The Way of Water*, released in the last weeks of 2022, is now the number three worldwide grossing movie of all time and two of the top five movies in 2023 so far are animated: *The Super Mario Bros. Movie* and *Spider-Man: Across the Spider-Verse*. Cinema circuits in general are reporting operating cashflow positive results and continue to invest in expanding the moviegoing experience.

Vista Group's reported revenue of \$69.7m was up 12% on the first half of 2022, with Recurring Revenue¹ up 13%, while EBITDA³ of \$2.5m was in line with the first half of 2022 (adjusting for foreign exchange losses).

Vista Cinema, Vista Group's largest business, reported revenue up 9% to \$47.5m on the first half of 2022. Recurring Revenue¹ was up 12% due to expansion of client revenues and the improved box office. As expected, EBITDA³ of \$7.9m was in line with the first half of 2022.

The Vista Cloud roll out continues to expand with new clients including Everyman, a UK circuit operating with 40 sites. Vista Group's SaaS platform will support Everyman's mission to create an exceptional cinema experience for their customers and aligns with their focus on innovation. This project, and the digital component of Cineplex are expected to go live in late 2023 or 1Q24. Several smaller clients have also been added to the digital platform and Vista Cloud. The increased investment in the core business continues to build out the cloud operations capability, and deliver improvements in platform observability and manageability as well as functionality.

Movio, the global leader in data analytics and campaign management solutions for the cinema industry, reported revenue up 8% to \$9.7m against the first half of 2022, as variable fees increase with the strength of the global box office. The roll out of data analytics and campaign management solution, Movio Cinema EQ, continues at pace, with the transition for all clients expected before the end of 2023. Clients who have migrated to EQ are already seeing successful campaigns that reach more moviegoers and connect them with their ideal movies.

Box office reporting platform, Numero, and film distribution software business, Maccs, reported revenue up 23%, primarily driven by the continued geographic expansion of the Numero platform. Numero and Maccs made a healthy contribution to EBITDA³ performance.

Creative studio Powster's revenue was up 36% on the first half of 2022 predominantly due to higher demand for Powster's Showtimes platform as the number of movies released increases.

Flicks, the cinema and streaming discovery platform, reported revenue up 33% on the first half of 2022, with an impressive 28% growth in average users in New Zealand, Australia and the United Kingdom helping drive advertising and affiliate revenues.

- 1 Recurring Revenue is defined in section 2.1 of the 2023 Interim Report.
- 2 AGC segment includes Numero, Maccs, Powster and Flicks.
- 3 EBITDA is a non-GAAP measure which is defined as earnings before net finance costs, income tax, depreciation, amortisation, "other gains and losses" (see section 2.3 of the 2023 Interim Report) and share of equity accounted results from associates.
- 4 Cash Usage is calculated using the net movement in cash held, less cash applied to the Retriever acquisition / earn-outs, and less \$0.7m cash applied to cash settled exceptional items (see other gains and losses in section 2.3 of the 2023 Interim Report).
- 5 ARR is Annualised Recurring Revenue, calculated as trailing 3 month Recurring Revenue¹ multiplied by four.

ENDS

For further information please contact:

Media Contact:

Kate Ford

Communications Manager

Kate.ford@vista.co

About Vista Group

Vista Group International Ltd (Vista Group) is a public company, founded in New Zealand in 1996 and listed on both the New Zealand and Australian stock exchanges in 2014 (NZX & ASX: VGL). Vista Group is a global leader in providing tech solutions to the international film industry. With brands including Vista, Veezi, Movio, Numero, Maccs, Flicks and Powster, Vista Group's expertise covers cinema management software; loyalty, moviegoer engagement and marketing; film distribution software; box office reporting; creative studio solutions; and the Flicks movie, cinema and streaming website and app.