Vista Group 2025 Half Year Results Presentation Transcript

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Matt Thompson – *Vista Group, CFO*

Good morning, everyone, and thank you for joining us for Vista Group's 2025 Half Year Results Presentation. We'll begin in just a moment.

Morning again, everyone. Welcome to Vista Group's results announcement for the 6 months ended 30 June 2025. I'm Matt Thompson, CFO of Vista Group.

Before we dive in today, I'd like to let you know that we'll be taking questions at the end of today's presentation. If you'd like to ask a question, please use the raise hand icon at the bottom of your screen. You'll be placed in the queue, and when it's your turn, we'll announce your name and open the line. A pop-up will prompt you to unmute, and you'll be able to ask your question.

We've got a full agenda today. In addition to presenting our half-year results, we'll be sharing strategic updates on our cloud migration journey and unveiling our new Embedded Payments offering. While our financial performance this half is very strong, we'll keep that section concise so we can focus on these exciting developments and still leave plenty of time for your questions.

With that, I'll hand you over to our CEO, Stuart Dickinson, to walk us through the first half highlights.

Stuart Dickinson – *Vista Group, CEO*

Thanks, Matt, and thanks, everybody, for joining us this morning. I'm really pleased to be here today to share the results, which reflect the progress we've made as a team, and the momentum we're building. As you can see on the screen, our vision remains unchanged, and it's all about enabling exceptional cinematic experiences, and that's exactly what our increasingly connected ecosystem is helping us to deliver.

So, let's begin with the highlights from the first half. I'm really pleased to report that we've delivered strong growth across all of our key metrics this half. Total revenue rose to $77 million, an increase of 11% year-on-year. Recurring Revenue reached $70 million, also up 11%, reflecting the strength and consistency of our core business. EBITDA increased by 39%, climbing to NZ$10 million, with our margin improving to 13%, a clear sign of the operational leverage and discipline cost management that we've been delivering.

And importantly, we achieved Free Cash Flow positive for the second consecutive half, demonstrating our commitment to continued financial discipline and our focus on sustainable performance.

I'm absolutely delighted with this result. I believe it reflects the hard work, commitment, and the talent of our people. So, I want to take this moment to relay a huge thank you to the entire Vista Group team for all of the hard work that has gone into delivering this outcome.

Our momentum is continuing to build, with strong client confidence in Vista Cloud. Some of the deals we've been able to announce this year include Odeon, who is committed to a multi-year rollout across 309 sites in the UK, Ireland, and Europe, which is a significant endorsement from one of the region's leading cinema chains and a subsidiary of AMC in the US. And closer to home, we announced Village Australia has joined the journey, which is an exciting win in our own region, and testament to the strength of our offering.

While there have been many more than just these signed in the period, these reflect the trust our clients are placing in Vista and Vista Cloud, and the value we see in partnering, or they see in partnering with Vista Group for the future.

The first half of the year saw a strong rebound in box office performance, particularly in the second quarter. Memorial Day weekend set new records, led by *Lilo & Stitch*, and the high-octane thrills of *Mission: Impossible*.

And while Stitch caused his on-screen usual chaos, it was *A Minecraft Movie* that stole the show, turning social media into a storm, with audiences shouting, “chicken jockey” and a whole lot of popcorn flying everywhere.

This excitement translated into numbers, with the domestic box office reaching US$4.1 billion in the first half. This resurgence in cinema attendance is a powerful sign of audience enthusiasm and the enduring appeal of a theatrical experience.

Now, I'll hand back to our CFO, Matt, to talk us through the full financial results.

Matt Thompson – *Vista Group, CFO*

Thanks, Stuart. Before I get into that, I wanted to send a quick thank you to Stuart, the Board, and our investors for your support over the past 6 months. It's been a privilege to serve as CFO for such an exciting business, and I'm proud to present these strong results today.

As Stuart has already covered, we saw revenue up 11% to $77 million. ARR is up 13%, and a continued improvement in EBITDA margin, now at 13%, is up from 10% last year.

What I'd like to highlight is the $3.3 million investment we have made in cloud transition projects, most of which will go live in the second half or into 2026. These costs are deferred to match the revenue recognition, and they serve as a leading indicator of future annuity streams. In other words, they're the seeds of tomorrow's Recurring Revenue.

Our contribution margin rose 6% to $24 million, representing a 31% overall margin. While this is roughly in line with the first half of last year, it's been slightly held back by the timing of project go-lives, which much of which have been weighted toward the second half of the year.

Finally, our loss before tax narrowed to $1.3 million, a 64% improvement. And I'll say this: I'll be delighted to be speaking to these as profits, in very short order.

Let's take a look at the key takeaways from our SaaS P&L, and the trends across the previous five half-year periods, as shown on the slide. First, Recurring Revenue continues to grow. This is naturally stronger in the second half of each year. Second, we're seeing expanding operating leverage, with EBITDA improving half on half, a clear sign that our model is scaling efficiently.

And third is that we're seeing a pretty cool phenomenon with our SaaS and Non-SaaS Revenues. As clients move to Cloud, their maintenance revenues move from Non-SaaS to SaaS Revenues, but what we're seeing is the Non-SaaS Revenues continue to hold.

As I mentioned earlier, a significant portion of our team's effort this half has been directed towards projects due to go live in the second half of the year, and in some cases, in 2026. This timing has meant our gross profit and contribution margin remain broadly in line with the first half of 2024.

That said, our cost discipline continues to be a strength. Operating costs, excluding exchange rate impacts, are up 10% year on year. That's a solid result, especially when you consider that revenue is up 11%, and our guidance already points to a substantially stronger second half.

Our revenue profile continues to reflect the seasonal patterns that are well understood here at Vista. Factors like the Northern Hemisphere box office, driven by their summer period, Thanksgiving, and the end-of-year Christmas holiday season, all fall in the second half. In addition, key client contracts also tend to go live in the second half.

On this slide, you'll see the purple bars representing the first half, and the blue bars for the second half. What stands out is the strength of our first half revenue growth, clearly visible and very encouraging, but what excites me most is how this momentum carries forward.

When we index our revenue in EBITDA against our full year guidance, we can already see the meaningful benefits that are set to flow through in the second half.

This segment slide reflects the performance of Vista Group's two core businesses, Cinema and Film. These segments are managed to the contribution line, which includes cost-to-serve, sales and marketing, and R&D costs. For those interested in the detailed breakdowns, you'll find them in the data file available on our Investor Centre.

General and administrative costs are managed at the total company level.

Both segments delivered strong SaaS Revenue growth, with Cinema up 29%, and Film up 10% year-on-year. And I'm especially pleased to report a strong report from our 50%-owned creative studio business, Powster. After being impacted by the 2023 writers and actors strike, Powster bounced back with a 52% increase in revenue year-on-year, a fantastic result that reflects both market recovery and the strength of our offering.

Now onto our cash flow, where I'm pleased to report that Free Cash Flow was positive for the second consecutive half. Operating cash flow rose to $11 million, with collections continuing to improve, reaching 106% of revenue.

Capitalised development was down 5%, mainly due to the timing of a $1 million 2023 R&D grant. This doesn't reflect a reduction in innovation, more just the timing of that cash being received. Overall, our cash flow performance reinforces the strength of our business model and our disciplined approach to deploying cash.

Onto the balance sheet, which remains stable. Net cash increased by $2 million, and we have about $24 million in undrawn ASB bank capacity, providing us with flexibility and confidence. Finally, the quality of our receivables, again, continues to improve.

With that, I trust you'll agree that these results are very pleasing, a reflection of the momentum, discipline, and commitment across the group. And I'll hand you back to Stu to discuss our cloud migration strategy and what's next on our journey.

Stuart Dickinson – *Vista Group, CEO*

Thanks, Matt, and thanks for your support as you've come into the role.

This year we've taken the time to reflect and continue to reflect on the learnings from an initial wave of cloud migration projects. But before diving into those insights, I want to remind everybody and set the scene, for our cloud journey so far.

In 2023, we proved that Vista Cloud had market fit. In 2024, we demonstrated that we could deliver Vista Cloud to clients at scale. And now, halfway through 2025, we're continuing with that delivery, with a clear ambition to have 36% of our client sites live on the Vista Cloud platform by year end.

As we've progressed through our cloud migration journey, we've seen firsthand how transformative Vista Cloud is for our clients' business operations. Those already live on the platform are experiencing tangible benefits.

Their revenue performance is being optimised through smarter tools and data, their operational efficiency is improving across the Board, and critically, our cloud clients are best protected against the risks of an increasingly complex cybersecurity and compliance landscape. These outcomes reinforce the value of our platform.

This slide brings to life some of the real-world impact Vista Cloud is having for our clients, and it's just not us saying it. Pathé Netherlands has been using our Assisted Scheduling tool for over 6 months, and reports a 50% time saving compared to manual scheduling. That's a huge operational win. Cinergy calls Vista Cloud the next generation product they need, and FatCats highlights how their Lumos solution is helping them deliver the seamless guest experience that today's audiences expect.

We've made good progress in the first half of 2025 with client onboarding, with work focusing on projects expected to go live in the second half, or in 2026. As of 30 June, 747 sites were now live on Vista Cloud platform, a significant milestone, and we remain on track to reach 1,600 sites, or approximately 36% of our client base, by year end.

The pace of delivery reflects both the strength of our platform and the urgency our clients feel to get into Vista Cloud.

As we've moved through 2025, the level of interest from our clients in Vista Cloud has been strong. We've secured contractual commitments, which, amongst others, include Odeon and Village to our Operational Excellence capability. Our growing momentum has already prompted us to continue to increase our delivery teams. However, our commitment to maintaining Free Cash Flow positive has naturally placed constraints on our rollout capacity. It's a balancing act, one that we've managed extremely carefully. But it's clear to us that demand is outpacing our current ability to deliver at the speed our clients want us to go.

So, we're listening to our clients and prioritising taking action on client onboarding. We're scaling both our technology and delivery teams, already operating at peak efficiency, to accelerate onboarding and unlock the full potential of our pipeline.

At present, we're scaling our capitalised development and cloud implementation costs, which in 2025 are expected to be around $25 million. To meet growing client demand, we plan to accelerate this to a peak of approximately $40 million over the coming years, before tapering back to BAU levels of around $7 million once we reach 100% Platform.

There are several compelling reasons for this acceleration. We're listening to our clients and putting their needs first. As through putting more delivery teams means we can run more projects concurrently and deliver the benefits to clients being on Vista Cloud faster.

We're doubling down on our current AI efforts, embedding it into both our business practices and our technology, and we're going to continue to accelerate the modernisation of our tech infrastructure, which has evolved over a 25-odd year time span to ensure we remain cutting edge and remain scalable and secure.

And we're confident that doing more upfront will allow us to get additional revenue, attract new clients, and to reach 100% Platform faster than if we continued at the current levels. All while de-risking the journey. So, we're making the strategic decision to accelerate, even if this means drawing slightly more on our cash, future Free Cash Flow ramp, and debt facilities.

Our clients are clear, they want to be on Vista Cloud as soon as possible, and our strategy is designed to meet that demand head on. While we've made some tactical adjustments to accelerate delivery, our overall platform strategy remains unchanged. Our cloud migration aspiration is still to reach $300 million in ARR at 100% Platform.

What's changed is the pace. By accelerating now, we believe we can increase both the number of clients we're onboarding at any one time, and further improve our onboarding client velocity. By delivering more onboarding engagements concurrently, we also reduce the risk of any timing delays to our growth aspirations.

Matt, I'm now going to hand over to you to speak more about some of our other growth opportunities ahead.

Matt Thompson – *Vista Group, CFO*

Thanks, Stu. I'm always happy to speak to the incredible opportunities ahead for Vista, and today, I'm thrilled to officially announce the launch of our Embedded Payments offering.

We've talked previously about the potential to embed a white-label payment solution within our processing software, powered by a global payments provider. Historically, this came with risk, but now we're able to move forward with much of that risk being managed by the payment supplier, unlocking a safer, scalable path forward.

To me, Embedded Payments is a natural growth opportunity, made possible by our strong market share and the real problems we're solving for our exhibition clients. These include simplifying cash reconciliation and eliminating the pain of non-integrated payment systems.

We're giving clients access to cutting-edge payment technology typically reserved for large enterprises. And ultimately, we're delivering a more competitive cost solution compared to their current payment fee structure.

For Vista, the benefits of our Embedded Payments offering are compelling. By 100% Platform, we expect this initiative to contribute $15 million in ARR. Importantly, this revenue will be recognised net of processing fees under the agency basis in the revenue accounting standard. This accounting recognition of recognising just the net take rate as revenue supports a high-margin model, with the primary P&L cost being the dedicated team required to support the payments function.

Most importantly, this offering is a scalable, efficient way to unlock new value, both for our clients and for Vista.

So, what we're announcing today is that we're ready to get this off the ground. We're in final negotiations with our selected global payments provider, and we've begun the building of the initial interfaces, and we expect to sign pilot clients in the second half of this year.

From there, we'll look to scale the rollout in 2026, bringing this offering to more clients and unlocking the full potential of Embedded Payments across our platform. This is a major milestone for Vista, and one we're excited to deliver.

Last year, we released the annualised Gross Transactional Value, or GTV, processed through the Vista Cloud platform based on data for the month of December 2024. That snapshot helped illustrate the potential for variable revenue streams, and importantly, the scale of the opportunity for our Embedded Payments offering.

Today, we're going a step further. We're releasing the annualised GTV for the entire first half of 2025, which removes any seasonality and gives a more balanced view of platform activity.

If we project that forward to 100% Platform adoption and include Veezi ARR, we estimate that approximately US$22 billion will be processed through our platforms annually. That's a powerful indicator of the scale we're building and the value we're positioned to unlock.

When we bring all the pieces together, the impact is clear. The additional $15 million in ARR we expect from Embedded Payments allows us to upgrade our total ARR aspiration to $315 million at 100% Platform. It's a meaningful step forward, one that reflects the strength of our strategy.

Many of you will recognise this slide. It's one we've used before to showcase the power and breadth of the Vista platform. Today, we're excited to build on that with our Embedded Payments offering. We've previously talked about Family Entertainment Centres, or FECs, and it's worth highlighting again that our clients are already taking Vista beyond traditional cinema, using our software to support the management of these facilities.

Another opportunity we've identified is in film distribution. Vista is uniquely positioned in the industry. We serve clients who are studios, distributors, and exhibitors, giving us a rare vantage point across the entire entertainment ecosystem.

There are certainly challenges in this space, but we believe we're in a strong position to tackle them over time.

So, as we look ahead, there's substantial opportunity to unlock even more value for our clients and investors through our platform's breadth, its data capabilities, and continued expansion in FECs and film distribution. While we've made strategic adjustments to meeting growing client demand, and to embed AI more deeply into our operations, our EBITDA margin aspiration 100% Platform remains unchanged, between 33% and 37%.

We're continuing to manage costs carefully, even as we invest in scalable growth. This balance ensures we remain disciplined in our financial approach while positioning Vista to unlock long-term value.

To wrap up this section today, I wanted to leave you with a clear view of the strength of Vista’s investment proposition.

We hold a 46% global market share in enterprise cinema. Our ARR aspiration has been upgraded to $315 million at 100% Platform. We're laser-focused on expanding our total addressable market. And we're energised by the opportunities ahead, and fully committed to unlocking them.

Back to you, Stu.

Stuart Dickinson – *Vista Group, CEO*

Thanks, Matt. Now I want to turn to our outlook.

As we take a broader look at the industry, confidence in the movie slate continues to improve, and it's looking pretty fantastic for the second half of this year. We're seeing a strong lineup of high-quality titles, and then what is especially encouraging is the number of major releases already locked in for 2026 and 2027.

As we look forward, we expect growth to track alongside a rebounding box office and increasing food and beverage inflation, which together create a favourable tailwind for Vista.

Moving on to our 2025 guidance. At the start of the year, we guided our full year revenue to fall between $167 and $173 million. That guidance was based on the assumptions around the domestic box office and US dollar, both of which, as many of you will know, have been tracking slightly against us this year.

So, based on what we know today, we now expect revenue to land at the lower end of that guided range. Importantly, though, we still anticipate delivering an EBITDA margin between 16% and 18%.

As for our 2025 aspiration, we've always acknowledged that $175 million would be a stretch goal for us by December 31. With a few key factors not quite aligning, that aspiration now looks more likely to be achieved sometime during 2026.

Looking out a bit further to our longer-term aspirations, we've upgraded our ARR to $315 million plus, our EBITDA margin remains unchanged at 33-37%, and the 6,000 sites on Vista Cloud is also unchanged.

These long-term aspirations reflect the scale of the existing platform opportunity, the strength of our strategy, and the momentum we're building across the business.

Before we wrap up on what's been a session that's covered more than just our half-year results, I'd like to leave you with a few key takeaways.

I'm delighted with our first half results. Demand for Vista Cloud is outpacing our current delivery capacity, and that's a great problem to have, but one we need to resolve for our clients. So, we're accelerating to meet that demand head on.

Embedded Payments is a powerful new growth lever, and we're excited to be officially getting it underway, while upgrading our long-term ARR aspirations to $315 million.

I'll now hand back to Matt, and we'll open up the line for our Q&A.

Matt Thompson – *Vista Group, CFO*

Thanks, Stu. That concludes the presentation part of today's call, and we'll now move on to the Q&A. Before we open the line to the first question, which will be from Guy Hooper from Jarden. If you would like to ask a question, please select the raise hand icon at the bottom of your screen. You will then go into the queue for questions.

When your turn comes, we will announce your name and open the line to you. A pop-up will appear on your screen, asking you to unmute your line, and you can then ask your question.

Please go ahead, Guy.

Guy Hooper – *Jarden*

Yeah, good morning, team. I'll just start on the cost ramp front. Can you help us understand, I guess, where those constraints have emerged, just given the near-term go-live, profile hasn't changed? And then, can you talk a little bit about what it means for the acceleration of full adoption timing? I mean how far forward does it pull full adoption?

Stuart Dickinson – *Vista Group, CEO*

So, thanks, Guy, and, I'll start with this, and then Matt might colour it a little bit more. So, just in terms of the 2025 year adoption, we're continuing to focus on delivering that. But what we're starting to see, and what we've been seeing, is a number of clients who want to continue to onboard through 2025 and then into 2026 as well. And so, by expanding the number of teams that we've got working on this and our capacity, we believe we can further accommodate those clients. And so, it's about really setting us up beyond 2025 for 2026, and a ramp into 2027 as well. And so, to answer your question around what does that mean, effectively we're bringing some of the cost forward that we were planning to spend later in the process. The benefit for us is around, that means that we get to 100% Platform faster. We think it probably saves us between 1 and 2 years, so we're effectively getting there faster, and what that means is that we believe we'll be more profitable faster, but importantly, and I think this is a really key thing, what we're seeing from our clients is a demand to get on the platform. These projects take a little bit of time, as you know, some of them multiple years, and so the more we can start as quickly as possible, we believe we can get through the process more quickly as well.

Guy Hooper – *Jarden*

Yeah, great, thank you, appreciate the colour there. I guess on the cost as well, sticking with that, I mean, now that you ramp up to $40 million at max, I think the previous profile was a number of years of around the low 20s. I mean, are we spending more in total, or is the total amount expected to remain pretty similar, and we just come off the ramp earlier?

Matt Thompson– *Vista Group, CFO*

Yeah, I can take this one. The way I see it, Guy, is that we, what we're doing is we're pushing that cost forward, and it's really, if we're able to get to 100% Platform a year or two earlier, what we're doing is we're able to redeploy a bunch of our staff that are currently working in the cinema business to work on other things. And when I look at the amount of staff in our cinema department, we have about 600, including contractors, I think our BAU state is probably around about 70% of that. And so, about 180 heads, I make it, will be moving on to new adjacencies at that point, and, working on new revenue streams.

Guy Hooper – *Jarden*

Okay, so I guess as we get to the end of that, it's not so much that costs necessarily ramp down too materially as that, they get redeployed into other opportunities. I mean, how do you think about the reinvestment priorities on those, and, you know, how big those opportunities are?

Stuart Dickinson – *Vista Group, CEO*

Yeah, so Guy, that's a good, that's a good question, and so, at the moment, our focus is very much around, delivering Vista Cloud Platform to our clients as quickly as possible. You've seen us move into what I would call the first, sort of, area of adjacency, today when we've added Embedded Payments. We've continued to talk about other opportunities that we see in the medium term around things like Family Entertainment Centres and film distribution. We're not ready to talk more fully about them at the moment, so I can't give you a number on that, but what I do see very much is that getting our clients on the platform as quickly as possible is really just the start of the journey. The opportunities that can unlock for them and us at that stage could be pretty significant, but we'll look forward to sharing more about that as we go through this process, but focus at the moment remains very much around how do we get the client base onto the platform as quickly as possible, and really help them get the benefits that some of the early adopters are starting to see.

Guy Hooper – *Jarden*

Right, thank you. I'll pause there. Thanks for taking the questions.

Matt Thompson – *Vista Group, CFO*

Great. The next question is from Stephen Ridgewell at Craig's.

Stephen Ridgewell – *Craigs*

Yeah, good morning, can you hear me?

Matt Thompson – *Vista Group, CFO*

Yes, we can.

Stephen Ridgewell – *Craigs*

Fantastic. Just first question's on the large customer you're flagging may be deferred to next year. I just wanted to be clear. So in terms of the targets you've set to kind of get to 700 sites on Operational Excellence at the end of the year. How material is that customer to hitting that target? That might be deferred?

Stuart Dickinson – *Vista Group, CEO*

In terms of the Operational Excellence, it's not, it's not material. The Operational Excellence clients are, in the process of onboarding at the moment, and, and well understood. So, the only client we're talking about there is a large one related to the Digital area.

Stephen Ridgewell – *Craigs*

Okay, so it's probably not so much of a revenue impact then. And then, just on, second question is on, you know, payments. Mate, you talk to payments being a high margin, incremental revenue opportunity, once you get to, you know, if you hit your adoption targets. But, you know, there's been no change to the 33% to 37% group margin target at that 100% Platform. Just thinking, you know, should we be thinking that, look, if you do hit those payment targets, that you know, that we should maybe be thinking at the upper end of that range, at 100% Platform.

Matt Thompson – *Vista Group, CFO*

Yeah, I mean, it's a good question, and definitely fair. I think the way I think about it, is, its a lower proportion of our $300 million ARR, and so when you go and put that across, down to the EBITDA line, it will move the dial a few percentage points. But what we're saying here is that, look, we're, that's a long way down the road. Let's go for, the 33% to 37% that we've already had out there, because we want a little bit more, going under the bridge before we start getting too far ahead of ourselves.

Stephen Ridgewell – *Craigs*

No, fair enough. This last one for me. The upgraded to a $315 million ARR target assumed 6,000 sites, you know, we just we've just seen, just over 150 sites lost over the half, and we go back, you know, back to 5 years ago. We're down about, you know, just actually over, just over a thousand. I'm just interested, you know, if you can talk to what gives management and the Board, the confidence that the site count will grow by, you know, around about a third, which is, you know, in the targets. You know, are you starting to see, are you seeing you know, strong inbound inquiry from, potential customers who are not on platform at the moment.

Stuart Dickinson – *Vista Group, CEO*

Yeah, I think, I think that's right, Stephen. So, there's definitely been a little bit of movement in, in the site count over the last few years, and I'd expect there to continue to be some movement, over the next few years as well. What we know and understand is that there is still a significant number of opportunities that are out, that are outside our current site count. We've got some pretty good line of sight to what those might be. And we believe that the cloud platform, in many cases, is way more uniquely suited to them, than maybe our on-premise technology had been. I also strongly believe that when you start to, build momentum on the cloud platform, it becomes even more compelling for a broader group of clients as you can start to unlock some of the other areas of opportunity, around data and insights and analytics, etc. And so, I think that this is about, first step is make sure that we're looking after our existing clients well, we're converting to the cloud platform as quickly as we can. And, some of the churn is being driven by our inability to bring clients on as quickly as they would like, and so, we're definitely looking to remove that, as a challenge and a barrier, through this acceleration as well.

Stephen Ridgewell – *Craigs*

Cool, thanks very much, that's all from me.

Matt Thompson – *Vista Group, CFO*

Right, the next question is from Jules Cooper at Shaws.

Jules Cooper – *Shaw & Partners*

Hi guys, thanks for, taking my questions. Look at the first one, just, if we could just sort of zoom in here on the, on the hiring profile, if I you know, for round numbers, argument's sake, if we said, you know, you're talking to maybe adding 100, people into the organisation, from now until the peak. How do you sort of see that phasing in now over the next couple of years, and could you give us a feel for the mix between those employees that'll, you know, really help the onboarding process with your customers, and maybe those that are focused on, you know, some new products, maybe around, you know, AI and things like that, that you are seeing some pretty good results from already with some pilot customers.

Matt Thompson – *Vista Group, CFO*

Cool, yeah, I can take that one, Jules. So, in essence, we've been saying that we expect the platform journey to be more like a 5-year journey than a 10-year journey, and what I expect us to do with that additional ramp to $40 million is roughly get there midway between now and then. And so we'll be doing targeted investment into these areas, this is something I want to scale up with the appropriate business cases. So bringing in the, you know, whether it's just short of 10% of that is AI staff to see, basically, what they can unlock and what they can embed into both our business and our products. And then I see the rest of it roughly split between technology and additional delivery teams.

Jules Cooper – *Shaw & Partners*

Excellent. Alright, thank you for the clarity there. Now, just on the payments piece, because that was really good to see you start putting some early numbers around this opportunity. At US$22 billion in total transaction volume processed potentially across your client base, what, when you look at the $15 million incremental, can I ask what assumption you've made around penetration? Because it would seem like that is still only scratching the surface in terms of the full opportunity.

Matt Thompson – *Vista Group, CFO*

Oh, look, I can't give you a penetration where that will essentially give you the net take rate at that point, and, you know, there's obviously highly commercial. But what we have said is that look, this product offering is going to be more relevant to our clients at the smaller end of the scale, so those with 50 sites or less, and if I was to think back, I would have thought roughly, well, just short of a third of our GTV that we announced is probably relating to those clients. Some of those will be in markets that our supply won't reach, and ultimately, the level of penetration is a large unknown at this point, and something that we've made some high-level assumptions at this point.

Stuart Dickinson – *Vista Group, CEO*

So, so, Jules, it's Stu here, just colouring that slightly more. If you think about where we're at in this journey, we've obviously been doing quite a bit of work internally, working with a number of suppliers to get to one potential who we're in the final steps of. We've then got some technology to embed into our platforms. We've started having conversations with our client base around what this might look like. I'm really encouraged by the feedback that we're getting, and so we'll look to continue to get there. I think the key for us, like the process we've been through with Vista Cloud as a first step, is to really prove market fit here, make sure that the clients are getting value from the product and the solution, and that it's working well. We'll then work towards accelerating from there over the next period as well. And so, as we go through that, we'll get a much better feel for exactly where this could end up in the future.

The other thing that I'd also point out is, as a global entity, we have clients in all different markets in the world. No payment supplier, or no embedded payment supplier, can actually service all of those markets currently. But all of them are working towards adding more markets. And so, there becomes a natural opportunity for this to grow over time also, as other markets get added. So we, as we said in the presentation, we're right at the beginning of this, but it's exciting to get out there, to be able to have the conversation. As I said, we've already started talking to some clients, and I'm really encouraged about the feedback we're getting.

Jules Cooper – *Shaw & Partners*

Excellent, mate. And look, just the last one for me, I don't want to sort of hog the call, but, you know, we've focused a lot here on pulling forward revenue, you know, meeting the demand from your client base. Could I just ask a question around, you know, when you add this additional cost, you bring in this sort of onboarding capability.

How does that change, now, your perspective around the risk of the strategy here that you're executing, and the confidence now that, you know, these extra heads will have to, you know, really ensuring that you're gonna deliver great outcomes for your customers over the next couple of years?

Stuart Dickinson – *Vista Group, CEO*

Yeah, that's a great question. So, from my perspective, this is all about de-risking this process. My view is that the faster we can get our clients on Vista Cloud platform, the more value we can deliver for them, in the short, medium, and longer term.

And so, as we've talked about previously, we know that as we go through this process, we create churn opportunities. That's what happens when you move from on-premise to cloud software. The client gets an opportunity to look, reassess, and so our view is that the faster we can get through this, work with them, the more capacity we've got to do that, the more we can de-risk this journey, for them and for Vista Group as well. So, I only see this as a good thing.

Jules Cooper – *Shaw & Partners*

Excellent, and well done, congratulations, we're fully supportive.

Stuart Dickinson – *Vista Group, CEO*

Thanks, Jules.

Matt Thompson – *Vista Group, CFO*

Right, next question is Owen Humphreys from Canaccord.

Owen Humphries – *Canaccord*

Morning, team, and thanks for taking my question.

You guys have been in market now with Vista Cloud for, call it, 18 months? You must have had dialogues with almost all of your customers showing the product roadmap. Can you give an indication of the 4,600 sites, or thereabouts, the indication that have said that we will not take up the solution, went offered?

Stuart Dickinson – *Vista Group, CEO*

Certainly, the first comments you made are correct. So, we've been in market for 18 months. Remember, the initial focus was very much around getting on board some market proof points and some really targeted clients. We've definitely had wider conversations, over the last period.

What I would say is, for many of our clients today, Vista Classic, is still a great solution, and so it's all about us aligning up with what their business drivers are at the time. Whether or not it's enhanced digital channels, or they're retiring legacy hardware or infrastructure, etc, as to when the right movement, to the cloud will be.

We've talked about a couple of Cloud clients previously that have come, or not made the journey with us, either for cost reasons, or they wanted to stay on-premise. So, they continue to be, reasons that we may see, and so we… From my perspective, the first thing that we're trying to remove here today is the delay, so if a client is keen and ready to go, we want to be able to take them and onboard them as quickly as possible. We haven't had the ability to do that while we've been managing both free cash flow positive and also, therefore delivery capacity. And so, by unlocking that, we think that we can get to a better outcome faster.

Owen Humphries – *Canaccord*

Gotcha, but in terms of, like, the expectation of churn picking up the full 10% of your sites, that's not quite the expectation you want a full rollout, right?

Stuart Dickinson – *Vista Group, CEO*

No, we'll continue to manage our clients and look after them as best as we possibly can. And every day, we're continuing to do that, and as I said, I think getting them on the journey as quickly as possible is key.

Owen Humphries – *Canaccord*

Yeah, I agree. Now in the call then, you just talked about integrating your solution into a number of Family Entertainment Centres. Can you go through a little bit around that, because that's new to me. How many family centres are within the current portfolio?

Stuart Dickinson – *Vista Group, CEO*

So, what we're seeing is that for a number of our clients, particularly in North America, they are either, commencing or already operating Family Entertainment Centres. And they can be a mixture of a site that's got a cinema, maybe plus a bowling alley, or axe throwing, or some other family entertainment opportunity. It could be, arcade gaming, for example.

So, that's sort of category one, where the client says, I've got a cinema site, and I'm going to put other things around it. We're also seeing some clients — and Cineplex in Canada is a really good example of this — where they're operating Family Entertainment Centres that have no cinemas in them. And so, their rec room brand is a really good example of that.

And so in those cases, we integrate our software to, arcade gaming platforms, to bowling platforms, etc. And we'll look to continue to do that. And so, I think the trend, particularly in North America, is to continue for some of our cinema clients, not all of them, but some of them, to diversify.

For us, we want to continue to look after those clients, so we have followed them into those areas. We're running and supporting Family Entertainment Centres today for a number of our clients. The longer-term opportunity that we talk about in the growth section is if we were to go more directly into this market, and look at the market not from the lens that we come at it from today, which is via the cinema clients, but actually just go and look at it from what are the Family Entertainment Centre opportunities.

That would be an expansion for us, and we'd need to build some go-to-market capability to support that. But certainly our software, today can, support those operations.

Owen Humphries – *Canaccord*

Well done. And a few people, questioned this morning, so maybe a chance for you guys to answer, just around the seasonality on your Recurring Revenue, just sequentially, let's call it flat, but just up year on year. Just talk through the seasonality there, if possible.

Matt Thompson – *Vista Group, CFO*

Yeah, we've spoken a few times about the variable revenue streams that we've got linked to our revenue, and he box office is one of the large drivers of that. And if you simply look at the box office, it's naturally stronger in the second half of each year, mainly because of the northern summer, the Thanksgiving period, and the Christmas period.

And even if you look at this year, where the first half was $4.1 billion, that's forecasted to get up to $9.4 billion. So you can kind of look at that, and you see your kind of seasonality coming out of that.

The second part we speak to is that we tend to have more clients going live in the second half, and, you know, I don't know what exactly is driving that phenomenon, maybe it's a bit of a lumpiness that just happens with us.

Stuart Dickinson – *Vista Group, CEO*

So, not a new trend, Owen.

Owen Humphries – *Canaccord*

I can see that, in the charts. Well done, guys. Looking forward to being part of the journey.

Stuart Dickinson – *Vista Group, CEO*

Thank you.

Matt Thompson – *Vista Group, CFO*

Great. The, next question is from Wei Sim at Jefferies.

Wei Sim – *Jefferies*

Hi, Stu. Hi, Matt. Can you guys hear me?

Stuart Dickinson – *Vista Group, CEO*

Vista Group: Yes, we can.

Wei Sim – *Jefferies*

Great. I was just looking for that large client who's been delayed. Are you able to give us a bit more colour as to, you know, what's causing the delay? And, I guess, you know, where we're at in the process, how we expect this to play out, and when it could be signed.

And then beyond that, you know, just some of that seasonality that you were talking about, you know, if we do see that coming through, would the expectation be a first half 2026 thing, or given the seasonality, more of a second half 2026? Thanks.

Stuart Dickinson – *Vista Group, CEO*

Well, I can't speak specifically to the commercials of the client and where we're at in that process. What I would say is that all large enterprise clients are unique in terms of their procurement process, how they go through these processes to make sure that the TCO of the opportunity stands up, and they've got everything lined up, and so we're continuing to work through that. We continue to be, focused on bringing them live as quickly as possible. We just wanted to be clear that it may not happen this year. It might go into next year, but, certainly from a focus perspective, we're very focused on getting that across the line and through the process as well.

It is a Digital client, so in terms of revenue, it's obviously less impactful than if it was a full Operational Excellence client. For us, it's really just about getting all our clients onto the journey as quickly as possible, take them through the first step, and then as we get, further down the track, move them to Operational Excellence, and that's where we're, fully live on the cloud platform.

So that's probably all I can colour that with today.

Wei Sim – *Jefferies*

Okay, and then just in terms of that first half, second half seasonality, and how we should think about this client in relation to that, is there any, additional colour that you might be able to provide on that? Thanks.

Stuart Dickinson – *Vista Group, CEO*

What you would probably look to see is that our expectation would be that if it goes live this year, it would be right towards the end of the year, so, minimal impact on the, the revenue stream for this year.

Wei Sim – *Jefferies*

Okay, understood. Thank you very much.

Matt Thompson – *Vista Group, CFO*

Great, the, next question is from Phil Campbell, or, as I suspect, it may be Priyena Kanji from UBS.

Phil Campbell – *UBS*

Just a couple of questions from me. In terms of migration to full cloud, I think, Matt, you talked about, you know, a 10-year journey, compressing down to a 5-year journey. So would I interpret that as hopefully getting to 100% Platform between FY30 and FY35?

Matt Thompson – *Vista Group, CFO*

We weren't previously at 10 years. I think we've been consistent here, where we're more like a 5-year journey than a 10-year journey. I think what we're saying here is that if we stayed with the current resourcing, you could expect it would take longer.

Phil Campbell – *UBS*

Okay, awesome. And then, I suppose the other question, just in terms of the acceleration, you know, with the $40 million capex, will you still be able to maintain free cash flow positive over the next couple of years, with that ramp up in the capex?

Matt Thompson – *Vista Group, CFO*

What we're seeing here is that we've got two conflicting things. One is the needs of our clients and how fast we can go, and if it comes down to prioritising one or the other, we're doing to move that to our clients and getting them onto the journey quicker.

And we've been through a few different benefits of doing that, but if it means that we go into slightly negative, cash, we're comfortable with it. We have, more than enough cash debt facilities, and, and quite frankly, the Free Cash Flow ramp that was, that was, coming up to be able to fund that.

Phil Campbell – *UBS*

Right, and do you think the Board… is the Board kind of considering maybe changing the STIs next year, to kind of take on board this?

Stuart Dickinson – *Vista Group, CEO*

The Board, through the NRC, approves the strategy. Obviously, what we're doing today is announcing an acceleration, as we get to next year and look at the STIs, I'm sure that there'll be some good conversations about that as well. What is clear, and I just want to be super crisp on this, is that we've got great demand from our clients.

Getting them on, the platform as quickly as possible, we think, is a really good thing for them. We think they get good benefits quickly. And also for us, as an organisation, we think that it de-risks the journey. It also means we can get on with, creating more opportunities in the future faster as well. So, we look across this and go, wow, this is just cool. We've got demand here, we need to get on with this.

Phil Campbell – *UBS*

Great, awesome, thanks.

Matt Thompson – *Vista Group, CFO*

Great, the next question is from Stephen Hudson at Macquarie.

Stephen Hudson – *Macquarie*

Just on your existing client base, can you talk us through who provides the payment solutions at the moment? Who are the big players there? It looks like there's a couple Adyen, there's Oracle Payment Cloud Services, and I think Toast through a white label of the cells. The second part to the question is, is there any risk that they use their own platform to kind of push into yours?

Stuart Dickinson – *Vista Group, CEO*

So the reality is that global payments are incredibly fragmented. Over the last number of years, we've probably written north of a hundred plus payment connectors for our clients in various countries. And so, it's a combination of everything from some of the global providers, like WorldPay, WindCave, Adyan, Stripe, etc, through to market-specific, niche players.

What we're doing with Embedded Payments is we'll partner with one global provider. We'll embed deeply into our software, their capability, which then enables us to integrate, reconciliation and a number of other client benefits in the platform. So, there's a huge advantage for our clients in doing that. And obviously, there's some commercial benefit, potentially, to them as well.

The reason we think that this is predominantly an opportunity that exists for exhibitors with less than 50 sites is primarily because in the large-scale exhibitors, often they will have banking relationships that, require them to use a payment provider that is the bank.

And so, if, for example, I've got debt and other facilities from a banking perspective, they may be required to use that payment's clearing. So, the market won't be 100% addressable for us, but we think a combination of a really cool software solution embedded in our product and really tightly integrated, plus some great commercial rates and some other benefits that come with us, make this pretty compelling. And certainly the early conversations we've had with our clients would indicate that as well.

Stephen Hudson – *Macquarie*

And the chances of, some of those global payments solutions providers pushing into your core services?

Stuart Dickinson – *Vista Group, CEO*

Theorising here, if you're a global payments provider, I don't think you're going to be in the market of delivering cinema ticketing, film management, moviegoer CRM, etc. I think they are very focused on scaling their payment opportunities, and certainly the ones we've been talking to, it's all about how can they take their existing software, embed it in our product, and help us, as a platform be more successful.

Stephen Hudson – *Macquarie*

Thanks, Stu. And sorry, just one final question. You mentioned about 5 big global players there. Can we assume that you're talking with, sort of, more of a niche white-label provider, rather than one of those big players like Google Pay, or Adia?

Stuart Dickinson – *Vista Group, CEO*

No, from a Vista Group perspective, we're operating today in many, many countries, and, and so the provider that we'll be looking to work with will be a global provider, so it will be one of the larger ones. There's very few with the amount of coverage that we need to be able to deliver a consistent solution.

Stephen Hudson – *Macquarie*

Cool. Thanks for that.

Stuart Dickinson – *Vista Group, CEO*

Very good. We're pretty much at time, and I think we're at the end of the questions, so, just on behalf of Matt and I, thank you all very much for your interest in Vista Group and your questions. I'm really excited about where we're at, the result we've been able to put on the table today and share, and also the journey that we're continuing on.

So, thanks to everybody for your interest, and we'll wish everybody a good rest of day.

ENDS

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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.