

Interim Results

29 August 2022



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 – H1 2022

Back in the Picture

- Moviegoer sentiment has recovered – box office growth is following
- Interest in the Vista Cloud platform is well ahead of our projections
- Really positive feedback from customers on our cloud platform
- Blockbusters such as *Top Gun: Maverick* and *Jurassic Park Dominion* are driving box office in all territories
- Group revenue up 39% over H1 2021 – with recurring revenue up 43%, now 86% of total
- Resilient EBITDA¹ and operating cashflow results
- Cash reserves maintained – disciplined financial management

1. 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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

"Our conclusion is expensive direct-to-streaming movies.....is no comparison to what happens when you launch a film in the theaters... and so we're making a strategic shift."

CEO, Warner Discovery (Aug'22)

"We are delighted with the ease of use and capability of the Vista Cloud software, and we look forward to improving how we serve our guests on the new platform."

CEO, NCG (Aug'22)



Financial results

Financials

Total Revenue

\$62m +39%

Recurring Revenue¹

\$54m +43%

SaaS Revenue¹

\$18m +49%

EBITDA²

\$3m +11% (adj ECL³)

Operating Cashflow

\$5m +\$4m

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

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 4.4 of the 2022 Interim Report) and share of equity accounted results from associates and joint ventures.

3. ECL is the non-cash Expected Credit Loss provision.

Trading performance

NZ\$m (Six Months – Unaudited)	30 Jun 2022	30 Jun 2021¹	% Change
Revenue	62.4	44.9	+39%
Expenses	(59.2)	(42.3)	+40%
Expected Credit Loss	0.1	3.7	
Foreign exchange (losses)/gains	(0.2)	0.1	
EBITDA²	3.1	6.4	-52%
<i>EBITDA² excl ECL³</i>	<i>3.0</i>	<i>2.7</i>	<i>+11%</i>
Depreciation and amortisation	(8.4)	(7.4)	
Net finance costs	(0.8)	(0.8)	
Other (incl. impairment, share of associates)	(13.8)	(0.7)	
Loss before tax	(19.9)	(2.5)	
Net loss attributable to Vista Group shareholders	(17.8)	(3.3)	

1. See section 15.1 of the 2022 Interim Report for information of restatement of prior period US sales tax obligations.

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3. ECL is the non-cash Expected Credit Loss provision.

- Revenue ahead of guidance, Retriever and hardware upsides
- Good recurring revenue growth, both recovery and new
- Year-on-year improvement of 11% on EBITDA², after adjusting for ECL³
- Strong box office supporting customer recovery
- Good cost management, despite inflation and people cost pressure
- Loss before tax primarily driven by non-cash impairment of Vista China

The recovery story

NZ\$m (Six Months – Unaudited)	1H20	2H20	1H21	2H21	1H22	% of Rev
Recurring Revenue ¹	32.9	32.6	37.3	44.1	53.5	86%
Non-Recurring Revenue ¹	11.9	10.1	7.6	9.1	8.9	14%
Total revenue	44.8	42.7	44.9	53.2	62.4	
Cost to serve	19.0	18.5	16.8	19.6	24.0	38%
Gross profit	25.8	24.2	28.1	33.6	38.4	62%
Sales and marketing	5.1	4.7	4.2	5.1	6.8	11%
Research and development	9.6	9.2	10.3	12.0	12.6	20%
General and administration	13.2	13.5	11.0	15.2	15.8	25%
ECL ² expense/(credit)	5.8	1.1	(3.7)	0.6	(0.1)	
Exchange (gains)/losses	(1.4)	0.6	(0.1)	0.6	0.2	
EBITDA³	(6.5)	(4.9)	6.4	0.1	3.1	5%
<i>EBITDA³ excl ECL²</i>	<i>(0.7)</i>	<i>(3.8)</i>	<i>2.7</i>	<i>0.7</i>	<i>3.0</i>	

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

- Strong 1H22 result
- Good recurring revenue growth
- ARR⁴ now \$112m
- Retriever and hardware upside
- Revenue provision for Vista China maintenance
- Headcount growth and in market activity accelerating (marketing, travel and hosting)
- Inflation watch on price and costs

Operating segments

30 June 2022 (Six Months – Unaudited)

NZ\$m	Cinema	Movio	AGC	Corporate	Total
Revenue	43.7	9.0	9.7	-	62.4
EBITDA ¹	7.8	2.0	0.3	(7.0)	3.1
EBITDA % of revenue	18%	22%	3%		5%

30 June 2021 (Six Months – Unaudited)

NZ\$m	Cinema	Movio	AGC	Corporate	Total
Revenue	31.5	6.5	6.9	-	44.9
EBITDA ¹	10.9	0.8	-	(5.3)	6.4
EBITDA % of revenue	35%	12%			14%

Revenue growth	39%	38%	41%		39%
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2. ECL is the non-cash Expected Credit Loss provision.

- All segments showed strong revenue growth as a result of sustained box office recovery
- Good EBITDA¹ margins across operating segments – adjusting for ECL² reversals in 1H21 (\$3.7m)

Financial position

NZ\$m	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)	% Change
Cash	51.9	60.4	-14%
Receivables and other current assets	38.2	39.2	-3%
Non-current assets	145.9	143.5	+2%
Current liabilities	50.7	47.6	+7%
Non-current liabilities	35.0	35.7	-2%
Net assets / total equity	150.3	159.8	-6%

- Strong balance sheet maintained and cash position of \$51.9m (\$33.5m net of borrowings)
- Updated banking facilities to 2026
- Receivables aging improved, with most customers up to date on current billings, long-term aged balances remain key focus area
- 1H22 includes acquisition of Retriever and the impairment of Vista China

Cashflow

NZ\$m (Six Months Ended – Unaudited)	30 Jun 2022	30 Jun 2021	% Change
Receipts from customers	63.4	45.6	+39%
Payments to suppliers & employees	(57.2)	(43.1)	+33%
Tax & interest	(1.1)	(2.4)	
Pandemic related subsidies / tax deferrals	-	0.9	
Cash flow from operating activities	5.1	1.0	+410%
Retriever acquisition	(3.3)	-	
Capitalised development	(7.6)	(5.8)	+31%
Other investing activities	(0.7)	(0.5)	
Pandemic related support (US PPP loan)	-	(2.8)	
Other financing activities	(2.6)	(1.0)	
Net movement in cash held	(9.1)	(9.1)	
Opening cash	60.4	67.1	
Foreign exchange differences	0.6	0.1	
Closing cash	51.9	58.1	-11%

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

- Positive operating cash, increased investment in Cloud journey, monthly operating cash burn¹ of \$0.6m in 1H22, and \$0.1m for the last 12 months
- Good collections during the half
- One off cash movements include Retriever acquisition, \$3.3m, and US sales tax, \$1.5m
- Net cash after borrowings of \$33.5m



Operational highlights

Vista Group Strategy

01



**Support our
customers to rebuild
their business**

02



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

03



**Create and
invest in new
opportunities**

Vista Cinema

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

- Blockbusters driving box office globally
- Strong demand for Vista Digital Platform as well as "full" Cloud
- Cinesa (Odeon Spain/Portugal) rollout continues at pace, will complete during 2nd half
- Positive feedback from 2nd Vista Cloud implementation (USA)
- Veezi site growth flat - driven by focus on ARPU
- Retriever acquisition accretive in revenue and EBITDA¹
- 3rd development squad added to Mexico development hub
- Estimated global enterprise market share (20+ screens), excluding China, remains at 51% - net of additions and closures

Revenue

\$43.7m

+39% vs 1H21

EBITDA¹

\$7.8m

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Vista Cinema site count¹

(compared to 31 Dec 2021)

Market	Channel	31 Dec 2021	New Sites ¹	Closures / Losses ¹	30 Jun 2022
Enterprise	Direct	5,128	46	(116)	5,058
	India	1,509	97		1,606
	China	425	5		430
	Total Enterprise	7,062	148	(116)	7,094
Independent	Veezi	933	41		974
	Veezi China	147			147
TOTAL		8,142	189	(116)	8,215

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

2. Global market share excluding China.

Enterprise Market Share²

51%

New Enterprise Sites

46

The Vista Cloud journey



What we've achieved to date

- First customers live
 - #1 transitioned from managed service
 - #2 new to Vista Group
- Customer experience has been positive – both implementation and operations
- #3 customer in implementation

Where we are now

- Excellent pipeline with significant number of Vista Cinema customers actively engaged
- Commercial outcomes remain ahead of our expectations
- Feature parity on Vista Cloud
- Significant effort required to implement and manage operations
- Detailed roadmap of engineering laid out to automate / simplify / make easy

What's coming in 2023 and beyond

- Engineering to improve scalability and manageability and reduce cost to serve
- Roadmap for cloud only innovation (eg BI for Executives)
- Onboarding of additional customers

Movio

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

Movio Cinema

- Connections and Active Moviegoer counts continue to grow month on month
- Volumes for most customers ahead of equivalent months pre-pandemic
- Adding at least one new customer every month
- Next generation Movio Cinema on track
- Operational services demand increasing driven by ongoing staff shortages at exhibitors

Movio Research

- Research platform development continues with the addition of enhanced data points
- Campaign measurement deals have been signed with TikTok and Snap

Movio Media / Madex

- Exhibitors trialling Madex in Europe, Australia, and the USA
- Movio Media had a quieter first half – however a major studio has signed with activity starting in Q3

Revenue

\$9.0m

+38% vs 1H21

EBITDA²

\$2.0m

1. Madex is the market brand for the Moviegoer Audience Data Exchange.

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Additional Group Companies (Portfolio)

Numero • Maccs

Box office reporting and world leading theatrical distribution software

- Solid financial results with revenue and EBITDA¹ growth
- Mica customer numbers continue to trend upwards with 25 live now
- Continuing increase in coverage in each market covered by Numero – exclusive deal with a major studio for international reporting

Flicks

Movie and cinema review and showtime guide

- Unique user growth ahead of plan – just under 2m in June (a record)
- Encouraging mix of cinema and streaming advertising

Powster

World leading film marketing products

- Showtimes have returned to strong pre-pandemic levels
- Creative revenue driven by Netflix and growing relationship with Twitch

Revenue

\$9.7m
+41%

EBITDA¹

\$0.3m

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Associate companies

Vista China

- Public health response to cases of COVID has made for a tough first half, outlook remains uncertain and government policies fluid
- Conservative decision to take non-cash impairment charge (against the non-cash fair value gain from the 2016 partial divestment)
- Vista China continues to operate independently and is seeking to broaden the potential revenue base



Outlook

Industry outlook

- Universal recognition of the value of theatrical experience and an exclusive window across all major studios
- Very strong performance of blockbuster titles a highlight
- Pipeline of content growing in 2023 and beyond as production gears up again post-pandemic
- Average revenue per film equal to or higher in 2022 than in 2019
- Sub-major studios now releasing theatrically



Film Slate 2022 - 2023

Q4 '22			Q1 '23			Q2 '23			Q3 '23		
October	November	December	January	February	March	April	May	June	July	August	Best of Rest
											
											
											
											

In its Global Entertainment & Media Outlook 2022-26, PwC predicts “Cinema revenues will rise to record highs as attendance rebounds.”

CAGR	2019-25
Box Office	2.2%
Admissions	-0.4%
Average Ticket Price	2.6%

Global Cinema Revenue Forecast - PwC



Vista Group Outlook

- Customer interest in Vista Cloud, Digital and EQ platform is well ahead of our expectations
- The commercial outcomes we are achieving with the platform remain robust and ahead of our initial projections
- Upgraded full year revenue guidance for 2022 in the range of \$123m – \$128m
- Operating cash flow for 2022 to remain positive, with investment primarily in the platform



Questions



VISTA
GROUP