



VISTA
GROUP

VISTA GROUP 2017 FULL YEAR RESULTS
28 February 2018

AGENDA



- Introduction and 2017 Highlights
- Financial Results
- Operational update
- Vista China – Opportunities and increase in equity
- Outlook
- Questions

VISTA GROUP FY17 SUMMARY

- Another great year of growth advancing global leadership for Vista Group
 - **20%** increase in Revenue – the 4th consecutive year of 20+% growth
 - **57%** increase in Operating Profit
 - **104%** increase in Operating Cash Flow
 - **20%** increase in recurring revenue to \$64m – **60%** of total revenue
 - **31%** CAGR for Revenue and **38%** CAGR for EBITDA since IPO
- Maintained very strong balance sheet, low debt and strong cash position
- Advanced our strategy of moving to controlling positions in our investments through transactions in China and Latin America
- Appointment and transition of new CEO
- Outlook remains very strong.



FINANCIAL HIGHLIGHTS



TOTAL REVENUE

\$106.6m

(up 20%)

RECURRING REVENUE

\$64.3m

(up 20%)

OPERATING PROFIT

\$20.4m

(up 57%)

EBITDA¹

\$25.0m

(up 42%)

OPERATING CASHFLOW

\$11.0m

(up 104%)

FINAL DIVIDEND

1.74

CENTS P/SHARE

(Total FY17 dividend up 28%)

EBITDA is a Non-GAAP measure and is defined as earnings before net finance expense, income tax, depreciation, amortisation, acquisition costs and equity-accounted results from associate companies. Expenses related to the VCL deferred consideration is also excluded. This is consistent with the measure used in the Prospectus dated 3 July 2014. Depreciation and amortisation in 2017 \$3.6m (2016: \$3.3m).



INTRODUCING – KIMBAL RILEY

- As announced on 24 January Kimbal will take over the role of VGL Chief Executive from 3 April 2018
- Kimbal will take part in the investor call and roadshow to meet major stakeholders
- Kimbal has lead Vista Entertainment for the last 4 years, a period of significant growth and development for the business which has seen that business unit as a high growth driver for VGL as a whole
- Prior to his role within VGL Kimbal has had an extensive career in senior executive roles in the IT and services industries in New Zealand and overseas.





MURRAY HOLDAWAY

CHIEF PRODUCT OFFICER

- Focusing on Group Wide product strategy to improve synergies across Vista Group
- Working directly with product managers to assist in product directions
- Ensuring we maximise the commercial value of our products
- Meeting more with customers and industry to better determine market requirements
- Assist with our product marketing initiatives
- Evaluating new development opportunities and possible acquisitions
- Continuing work with the Vista Board.





OPERATING SEGMENTS

CINEMA



MOVIO

MOVIO

ADDITIONAL GROUP
COMPANIES

POWSTER

maccs

FLICKS

EARLY STAGE
INVESTMENTS



ASSOCIATES



VISTA CHINA

TRADING PERFORMANCE

For twelve months ended

NZ\$m	31 Dec 2017	31 Dec 2016	%
Revenue	106.6	88.6	20.3%
Expenses	87.0	74.2	17.3%
Foreign exchange losses / (gains)	(0.8)	1.4	
Operating Profit	20.4	13.0	56.9%
Other Revenue / (costs) <i>excluding capital gain on 2016 China transaction</i>	(3.6)	(1.1)	
Profit Before Tax <i>Excluding capital gain on 2016 China transaction</i>	16.8	11.9	41.2%
Capital Gain – 2016 China transaction	0.0	41.1	
Profit Before Tax	16.8	53.0	-68.3%
Net Profit attributable to Vista Group Shareholders	9.7	48.6	-80.0%
NZ\$m	2017 Actual	2016 Actual	
EBITDA	25.0	17.6	42.0%

- Another year of 20%+ Revenue Growth
- Profit and EBITDA improvements as some operating leverage achieved across the Group.

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VISTA GROUP – Revenue Analysis



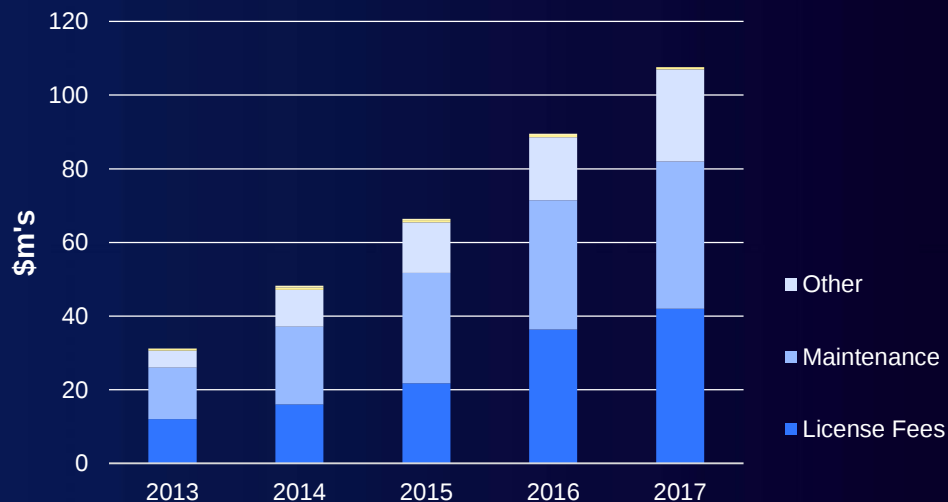
20%

REVENUE GROWTH
OVER 2016

21%

INCREASE IN VALUE OF
RECURRING REVENUE
OVER 2016 TO \$64M

REVENUE ANALYSIS



OPERATING SEGMENTS

2017

NZ\$M	Cinema	Movio	Additional Group Companies	Early Stage Investments	Corporate	Total
Revenue	67.6	15.5	12.3	1.2	10.0	106.6
EBITDA	19.8	3.6	0.6	(1.7)	2.7	25.0

2016

NZ\$M	Cinema	Movio	Additional Group Companies	Early Stage Investments	Corporate	Total
Revenue	62.1	11.3	12.1	0.6	2.5	88.6
EBITDA	14.8	1.7	3.6	(1.3)	(1.2)	17.6

- Cinema segment grew 22% on a like for like basis excluding Vista China revenue in 2016 (\$6.7m).
- China localisation revenue reported in Corporate but the cost of delivery is embedded within Vista Cinema and Movio.
- Strong growth in core segments. Below par result in Additional Group Companies segment. Significant Opportunity for uplift in future periods in this segment.

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FINANCIAL POSITION

NZ\$m	31 Dec 2017	31 Dec 2016
Current Assets		
Cash & short term deposits	21.0	21.3
Other receivables	71.3	73.9
	92.3	95.2
Non Current Assets		
Plant & equipment	4.6	4.1
Investment in associate	26.1	27.7
Intangibles	81.2	64.6
	111.9	96.4
Total Assets	204.2	191.6
Current liabilities	41.2	42.4
Non current liabilities		
Loans	10.7	4.8
Deferred tax and consideration	4.2	6.0
	14.9	10.8
Net Assets	148.1	138.4
Share capital	57.8	55.7
Retained earnings	75.2	71.3
Reserves	3.9	0.7
Non controlling interests	11.2	10.7
Total Equity	148.1	138.4

- Strong balance sheet maintained giving capacity to take advantage of new opportunities and development as well as support dividend program
- Cash levels strong as China transaction cash is received from WePiao and Vista China
- Receivables and Current liabilities at 2016 levels despite higher trading levels
- Increase in intangibles reflects Goodwill from Senda acquisition and investment in capitalised software development
- Additional borrowing in relation to Senda acquisition (in USD to provide partial hedge to investment) but still at low levels.

CASH FLOW

NZ\$m	For twelve months ended	
	31 Dec 2017	31 Dec 2016
Receipts from customers	105.1	69.7
Cash was applied to:		
Payments to suppliers	(87.1)	(58.5)
Tax & interest	(7.0)	(5.8)
	(94.1)	(64.3)
Net cash flow from operating	11.0	5.4
Cash applied to investing activities		
Investments – including business acquisitions	(10.4)	(12.1)
Proceeds from divestments	8.3	0.0
Other investing activities	(8.3)	(5.9)
	(10.4)	(18.0)
Cash from financing activities		
Proceeds from Share Issue	0.0	8.0
Loans and borrowings	6.5	0.0
Dividends paid	(6.4)	-
	0.1	8.0
Net movement in cash held	(0.7)	(4.6)
Foreign exchange differences	(1.0)	(1.4)
Cash balance	21.0	21.3

- Strong cash receipts from trading drives increase in operating cash flow
- Investment activity includes investment in Senda, capitalised software development and operating assets offset by cash receipts from WePiao for Vista China share sale
- Loans and borrowings shows the additional USD loan in relation to the Senda acquisition
- 2016 final dividend paid in March and 2017 interim dividend paid in September
- Overall cash outlook remains strong with the business generating cash and some receipts (circa \$10m) still due from Vista China.

DIVIDEND PROPOSAL

- The directors have resolved to pay a final dividend at the top of the policy range (50%) and that the dividend will carry full imputation credits
- The value of the dividend will be 1.74 cents per share representing a total payment of \$2.9m
- The record date for the dividend is 5pm on Monday, 12 March 2018 with the payment date set for Friday, 23 March 2018
- This is in addition to the interim dividend declared and paid in September 2017 of 2.40 cents per share (equivalent to 1.20 cents per share after the 2 for 1 share split undertaken in November 2017)
- Total FY17 dividend 28% increase on FY16.



VISTA GROUP OPERATIONAL HIGHLIGHTS



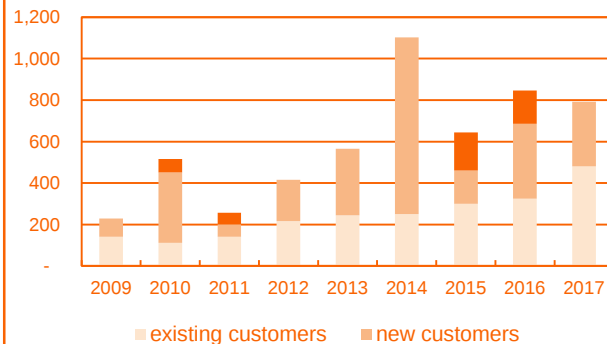


Vista Cinema provides cinema management software to the world's largest cinema exhibitors

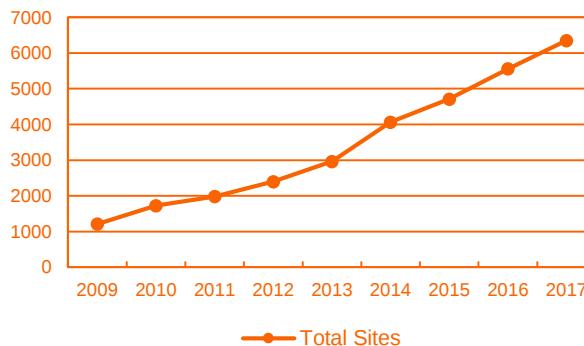
- 793 new sites in 2017 bringing total to 6350
- New markets — Brazil and Italy
- 93 installed countries - increase of 11
- 8 out of the 10 largest cinema exhibitors use Vista Cinema within their circuits.



NEW SITES ADDED



TOTAL SITE COUNT



14%

growth in total
sites to 6,350

10%

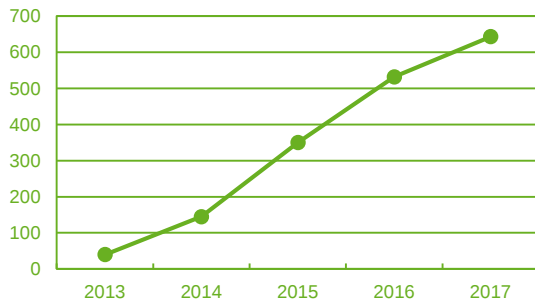
increase in average site
license to \$30k



Provides cinema management software to the world's independent cinema exhibitors

- 112 sites bring site numbers to 643. 8% increase in revenue per site.
- Release of new chargeable additional modules, including Kiosk and Veezi Voucher & Gift Card Manager
- New business partners signed in EMEA
- Your Cinema by Flicks web sites added as additional service, helping drive online sales and revenue. Over 50 signups in 2017
- Revenue sharing deals signed with payment providers.

VEEZI - TOTAL SITE COUNT



8%

increase in site
revenue to \$517 p.mth

27

countries with
sites using Veezi

30%

increase in ARR
to \$4.0m

23%

growth in contracted
sites to 643

DRIVERS FOR GROWTH



- Cloud version for Vista Cinema on track with first modules delivered Q1 2018. Expectation of new demand for this product
- Continued product innovation meeting new market demands
Complex Food & Beverage, Mobile self service
- Competitive wins in USA
- Expansion into new markets – Brazil, Italy, Japan
- Significant demand in Latin America, Eastern Europe and new market of Saudi Arabia
- New direct presence in South Africa to capture expected growth in Africa
- China – refer to separate slide.



- Strong expectation of growth in China
- Legislative changes driving demand in France
- Packaging hardware to address 500+ sites in USA
- Revenue Share deals with partners to drive added revenue per site
- Virtual Reality rooms.



Global leader in data driven marketing to provide products and services to cinema exhibitors, film studios and their media agencies and other specialists in film advertising

Purpose – to connect moviegoers with their ideal movie

- Major customer growth in Latin America and Europe for Movio Cinema
- Email and connection volumes increased by 28% to 1.8B
- Active moviegoers held by Movio increases by 21% to 45M
- Long term agreements for Movio Media with Epsilon, Viacom, STX and Twentieth Century Fox
- Movio Media drives revenue per active movie goer in USA up by 44%.

2017 PERFORMANCE METRICS

37%

growth total revenue to
\$15.6m

150%

growth in Movio Media
revenue

44%

growth in total revenue
per active moviegoers in
the USA to 45 cents

15%

growth in Global total
revenue per active
moviegoers to 35 cents

28%

growth in connection
messages sent to 1.8bn

GROWTH STRATEGY

- Increase active moviegoers held by Movio
 - Increase Movio Cinema users including non Vista Cinema users
 - Increase access to online moviegoers outside direct loyalty membership
 - Increase channels to access data on active moviegoers to increase overall potential data set
- Increase Revenue per active moviegoer
 - Increase USA revenue per active movie goer as media campaigns usage lifts and number of channels grows
 - Activate Movio Media in additional territories outside the USA
 - Increase Revenue per active movie goer outside the USA as media campaigns commence using USA successes as a template.

	Active Moviegoers (millions)		Revenue/Active Moviegoer (US cents)	
	2016	2017	2016	2017
USA	22	24	31	45
Rest of World	16	21	28	23
Global	38	45	30	35

MOVIEGOERS

- Extend reach through Vista Cinema user base
- Extend use of generic API for non Vista Cinema users. In use with Cinemark Brazil.

AUDIENCE

- Productisation of Movio Insights module for advanced targeting of active members
 - Employ machine learning to move beyond simple demographic targeting

CONNECT

- Increase the channels to reach moviegoers with targeted campaigns
- Beyond email & SMS to digital targeting via the web, social and mobile applications
- Extend relationships with channel partners (Epsilon, Viacom etc)

MEASURE

- Unique benefit of the ability to track actual transaction activity (via cinema POS partners) driven by a campaign
 - Enhance post campaign measurement of campaign effectiveness

POWSTER

World leading film marketing products

- Strong growth in revenue and EBITDA
- Created 46% more movie destination sites (1,300) in 2017
- 87 of the top 100 grossing movies used the Powster Movie platform with total site visits up 290% to 422m
- Opened LA studio and completed successful entry to the USA.

MACCS

Provides world leading theatrical distribution software

- Tough year for MACCS which impacted on this segments overall result
- Heavily focused on completion of Warner Bros. USA implementation - large and complex
- New CEO to be appointed to lead next phase
- 5,500+ cinema sites delivering weekly audited box office results to MACCSBox.

FLICKS

Movie and cinema review and showtime guide

- Site visits up 34% to 6.6m and page visits up 42% to 17.9m in Australia
- Now the largest independent movie site in Australasia.



CINEMA INTELLIGENCE

Software to optimise film forecasting and scheduling

- Strong 2nd half performance with high percentage of recurring revenue
- Increased pipeline and closure of 2 significant contracts for 2018 implementation
- Market opportunity large as penetration of Vista Cinema customers still low
- Many opportunities for new products to complement the Vista Cinema product suite
- Targeted to have positive EBITDA in 2018.



movieXchange

A new platform to share film digital assets & enable new cinema ticketing sales channels to access cinema exhibitors

- MX Film now producing revenue with 10 customers in USA and Australia
- MX Film has very wide potential customer set
- MX Tickets had transaction volumes and revenue ahead of internal targets in FY17
- Currently only deployed in USA but a global opportunity.



Stardust

Social app to share video reaction to movies and tv shows

- Active user numbers growing well since launch now at 24,000 and on target to reach key milestone of 50,000
- Activity rates (videos posted and reactions) increasing month on month. 20K reaction videos posted in December 2017.



Box office tracking and reporting product

- Reached \$1M NZD ARR by Q4 2017
- Targeting positive EBITDA by end of 2018
- Transitioning Australasian trial users to full commercial terms through 2018
- Customer feedback on product is very positive
- China cinema data being reported with 3 major US studios contracted
- Collection for Korea, South Africa, Malaysia/Singapore services commenced, other key territories being added through 2018
- USA market a key focus for 2018.



CHINA – A POTENTIAL GROWTH ENGINE

- Revenue of NZ\$17m, an increase of 71% over FY16
- Vista Cinema 12% of large competitive market
- Veezi gained first sites in China in 2017
- \$21m NZD cash repatriated to New Zealand to date.

GROWTH

- Third Party revenue (Vista share of online ticket sales) – already significant with huge upside
- Mobile and Web opportunities for cinemas
- Site market share – huge opportunity to grow from present market share as China cinema matures
- Movio – huge data opportunity with assistance from JV partner; localisation now complete
- Veezi – almost ‘unlimited’ upside with opportunities to gain sites in large ‘batches’
- Wider sales for Numero China data.



VISTA CHINA TRANSACTION DETAILS

- Execution of strategy to consolidate or achieve control of our investments.
- Vista Group to acquire 7.9% of the equity in Vista China which was held by WePiao – Vista Group and WePiao will each own 47.5% of Vista China.
- Vista China will become a controlled entity and its results will be consolidated from the date regulatory approval is obtained.
- The \$NZD7.7m price for this 7.9% stake (based on the original valuation of Vista China in 2016) has been 'off-set' against the monies outstanding from WePiao to Vista Group. Final amounts owed by WePiao under the transaction have now been settled.
- This is a very positive result for Vista Group and will enable the growth in Vista China, and the impact of the China market as a whole, to be better reflected within the Vista Group results.
- This will be revenue and earnings accretive to Vista Group from the date of consolidation.



OUTLOOK

- Strong pipeline across the Group supports a 5th consecutive year of 20+% revenue growth
- New CEO and Chief Product Officer brings new focus to each role to benefit the Group overall
- Penetration of new markets and emerging large markets provides significant growth opportunities across all businesses
- Exciting new capabilities in the Movio product suite, and Increased take-up of Movio Media with signed deals and increasing digital spend provides strong driver of revenue per active movie goer
- Vista China is ideally positioned to exploit the size continued growth to now be consolidated in Vista Group results
- The Global cinema market continues to show strength, admissions and box office increasing in many territories, driving a continued growth in sites and screens, which create opportunities for all group companies





QUESTIONS?

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