



## Market Announcement

29 August 2018, Vista Group International Ltd., Auckland, New Zealand

---

### **Vista Group Announces 20% Increase in Revenue and 37% Increase in Before-tax Profits over 1H2017**

#### **HIGHLIGHTS**

- 20% increase in Consolidated Vista Group revenue over 1H2017 to \$60.1m.
- 27% increase in EBITDA to \$13.1m over 1H2017.
- 37% increase in PBT to \$9.1m over 1H2017.
- 95% improvement in operating cashflow. Improved cash management process resulted in strong cashflow performance with operating cashflow of \$12.5m, an increase of \$6.1m over the prior year. Available cash balance is \$26.3m, up \$5.3m from year-end FY2017.
- Vista Group continues to maintain a very strong Statement of Financial Position with low debt and strong cash position.
- Transition of Group CEO and Vista Entertainment CEO/COO completed smoothly.
- Board of Directors announce a fully imputed interim dividend of 1.6 cents per share (post share split) for 1H2018.

#### **OPERATING METRICS**

- 28% increase in recurring revenue (\$7.8m) to \$37.2m over 1H2017 - now representing 62% of total revenue for the half.
- Vista Cinema global market share of the 20+ screens segment increased from 38% to 40%.
- Operating earnings quality improved with operating profit % increasing from 16.4% to 18.4%.
- Vista Cinema site numbers increased by 450 sites (plus 46 for Vista China) in 1H2018 bringing the total to 6,635.
- Veezi site numbers increased by 108 to a total of 751, with a 17% increase in average monthly revenue per site.
- Movio revenue per Active Moviegoer grew by 25% over 1H2017 to NZ\$0.20.
- Movio Media revenue grew by 97% over 1H2017.

#### **OPERATIONAL AND PRODUCT OVERVIEW**

##### **Cinema**

Cinema delivered a strong first half highlighted by key new business wins in 2 'new' territories – signing Aeon (the largest circuit in Japan), enabling entry into the Japanese market for the first time, and signing Pathe France (the largest circuit in France), underlining the strategy to proceed with direct representation in France. Cinema now has customers in 94 countries worldwide and is actively pushing to reach 100. Revenue expansion is also very much on the agenda for Cinema, both through developing ancillary revenue streams with 3<sup>rd</sup> parties, and through the development of new innovative product offerings.



### **Movio**

Movio continued to see expansion in both key business metrics: Active Moviegoers increased 8% despite the expiry of the AMC license (not a material contributor to revenue), and revenue per Active Moviegoer increased by 25% (both metrics compared to 1H2017). Movio Media revenue increased 97% over 1H2017 driven by contracts with STC, Sony, Lionsgate, FOX, Viacom and Epsilon. Movio Cinema revenue increased 20% led by successful implementations of new customers in Cinemark Brazil and PVR India.

### **Additional Group Companies (AGC)**

Performance in the AGC's was mixed, Powster being the standout performer with strong revenue and EBITDA growth plus an exciting portfolio of innovations which show great potential (notably 'bots' in Facebook Messenger and direct ticketing through movieXchange). The MACCS business showed good progress in terms of delivery to customers (with the key Warner Bros. project moving back to normal commercial terms), but the financial outcomes in the first half continue to disappoint. Flicks undertook an accelerated investment approach in the latter part of the half, and delivered some very encouraging growth numbers – hitting 1 million unique visitors in a month for the first time.

### **Early Stage Investments (ESI)**

The ESI's showed encouraging signs in the half, albeit off a small base. Both movieXchange and Cinema Intelligence grew revenue strongly compared to 1H2017. The performance of movieXchange was primarily driven by a strong increase in the volume of tickets being processed through movieXchange Tickets – with 5 ticketing vendors connecting live to over 20 cinema circuits. Cinema Intelligence continued the turnaround from 2H2017, with good revenue growth and a breakeven EBITDA result for the half. Key new business signings for Cinema Intelligence were achieved in Europe, USA and the Middle East. Stardust is focusing its energy on product enhancements to expand appeal and stickiness.

### **Associate Companies**

**Número** achieved a strong revenue increase of 40% over 1H2017, with over 1,000 sites reporting in the key USA market. Data collection was initiated in Thailand, Mexico and Nigeria – adding to existing collection in Korea, South Africa, Malaysia and Singapore.

**Vista China** continued to perform strongly with the highlight being a 36% increase in revenue over 1H2017 and the addition of 46 new Vista sites and 20 Veezi sites. On 24 August 2018, Vista Group confirmed the granting of the final regulatory approvals required to approve the 7.9% equity purchase from its partner, Beijing Weying Technology Co. Limited (WePiao). Refer to the market announcement on 24 August 2018 for further information.

### **Overall summary and outlook**

A very pleasing first half performance provides confidence we can deliver to our guidance for the full year.

Rodney Hyde, Chief Financial Officer  
Vista Group International Ltd  
Contact: +64 9 984 4570