

For immediate release

Vista Group's EBITDA increases 188%, with free cash flow positive in sight

Auckland, New Zealand, 6 August 2024 – Vista Group International Limited (NZX & ASX: VGL) reported its half year results for the six months ending 30 June 2024 today. As part of the announcement, Vista Group demonstrated the benefits of its 2023 business transformation – delivering a significant operating improvement over 1H23, growing momentum of cloud client transitions, and reaffirmed it will be free cash flow positive for the fourth quarter of 2024.

Stuart Dickinson, Vista Group's Chief Executive, said: "I am delighted to report our strong operating leverage improvement and strong SaaS and recurring revenue growth for Vista Group in the first half of 2024. It is encouraging to be able to show the value of our recurring revenue stream and, at the same time, demonstrate improvements in all our profitability measures. This is especially pleasing given the lower box office in the first half of 2024 resulting from last year's actors' and writers' strikes."

"Significant progress has also been made in our clients' journey to Vista Cloud. We have more than 20 client transition projects underway today, with the number of sites successfully transitioning to our Vista Cloud solutions ramping up considerably over the second half of 2024. On 30 June 2024, we had 166 sites live on our Vista Cloud solutions and by 5 August 2024 this had increased to 247 sites. We remain on track to have ~800 sites live on our Vista Cloud solutions by the end of the year – with ~400 of these expected to be live with all of our Vista Cloud capabilities. Our service, delivery and technology teams are doing an incredible job."

Financial overview

- EBITDA¹ of \$7.2m (up \$4.7m on 1H23)
- ARR² of \$129.4m (up 9% on 30 June 2023)
- Total revenue of \$69.6m (in line with 1H23), with Recurring Revenue³ of \$63.4m (up 5% on 1H23) and SaaS Revenue³ of \$25.4m (up 20% on 1H23)
- Operating cashflow of \$3.0m, or \$6.1m after adjusting for movements in working capital⁴ (up \$8.5m on 1H23 on a like for like basis)
- Loss for the period of \$2.7m (a 68% improvement on 1H23).

Outlook

- 2024 total revenue guidance of \$148m-\$153m (was \$152m-\$157m), Recurring Revenue³ of \$133m-\$137m and Non-Recurring Revenue³ of \$15m-\$16m (was ~\$18m)
- On track to be Free Cash Flow⁵ positive in 4Q24
- 2024 EBITDA¹ margin of 13-14% (stronger than expected)
- 2025 EBITDA¹ margin upgraded to 16-18% (was 15%+)
- On target to achieve December 2025 ARR² of \$175m+.

Operational overview

- 247 sites were live on Vista Cloud solutions on 5 August 2024, including Major Cineplex (79 sites), Everyman (44 sites), Pathé (29 sites), NCG (27 sites), and Megaplex (15 sites)
 - New client Cine Colombia (48 sites) has signed to move its cinema circuit to Vista Cloud's Moviegoer Engagement solution
 - The new business structure is now fully operational, with a \$4.8m reduction in total cost to serve and operating expenses⁶ from 1H23.
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Industry overview

- *Deadpool & Wolverine* has smashed domestic box office records, becoming only the ninth film to open above US\$200m, representing the sixth-highest opening weekend, and the highest R-rated film opening weekend of all time⁷
- Animated coming-of-age Pixar film *Inside Out 2* has taken US\$1.5b at the box office, making it the highest grossing animated film of all time⁷
- Highly successful film franchises anchor the 2H24 movie slate including *Joker: Folie à Deux*, *Moana 2*, *Transformers One*, *The Lord of the Rings: The War of the Rohirrim*, *Mufasa: The Lion King*, and *Gladiator II*
- 1H24 domestic box office of US\$3.6b, down ~19% on 1H23⁷ due to the impacts of the 2023 writers' and actors' strikes.

Group results

Vista Group's reported revenue of \$69.6m was consistent with 1H23, with Recurring Revenue³ up 5% and SaaS Revenue³ up 20%. EBITDA¹ of \$7.2m was up 188% or \$4.7m on 1H23, with the new business structure delivering significant operating leverage improvement. The EBITDA¹ margin for 1H24 was 10%, up from 4% on 1H23.

Segmental results

Cinema: Vista Group's largest reporting segment 'Cinema'⁸, represents ~80% of Vista Group's revenue, and includes software solutions for the cinema industry, primarily Vista Cloud, Movio EQ, Vista Classic (legacy on-premises) and Veezi.

The Cinema segment reported total revenue of \$55.4m (in line with 1H23). Recurring Revenue³ was up 4% and SaaS Revenue³ was up 20%. The Cinema segment contribution margin⁹ of \$17.1m was up 4% on 1H23. The Cinema segment's global market share¹⁰ of enterprise clients, excluding China and India, remained at 46% at 30 June 2024.

Client signings to Vista Cloud continue, with new client Cine Colombia being signed in July 2024. Vista Group sees this as a strong market validation, with 247 sites live on Vista Cloud's Digital Enablement, Moviegoer Engagement and Operational Excellence capabilities on 5 August 2024, and about 800 sites are expected to be live on Vista Cloud solutions by the end of 2024.

Movio Cinema EQ, a data analytics and campaign management solution offered as part of Vista Cloud's Moviegoer Engagement capability, continues to increase engagement and visitation.

Film: Vista Group's new 'Film' segment⁸ includes software solutions for film studios and distributors, including Maccs and Numero (for box office reporting and film distribution), Movio Research, Powster and Flicks.

The Film segment reported total revenue of \$14.2m is in line with 1H23, with a segment contribution margin⁹ of \$5.5m, up 22% on 1H23.

Box office reporting and film distribution products (Maccs, Numero, Movio Research) performed exceptionally well with revenue up 12% on 1H23, primarily driven by the continued geographic expansion of the Numero platform, with complete coverage of UK box office data achieved in 1H24.

The Powster creative studio business, which is one of the few Vista Group brands that was directly impacted by the content delays caused by the writers' and actors strikes', saw revenue decline 22% on 1H23. This drop in creative revenue is expected to be temporary, with substantial improvements forecast in the 2H24 box office and movie slate.

Flicks, the cinema and streaming discovery app, reported revenue up another 20%, and is now reaching 22 million unique users globally each year. Flicks continue to innovate through a new membership offering, and rewarding users by offering discounts and tickets from partner brands.

- 1 EBITDA is a non-GAAP measure which is defined as earnings before net finance costs, income tax, depreciation, amortisation, and “other gains & losses” (see section 2.3 of the 2024 Interim Report).
- 2 ARR is Annualised Recurring Revenue, calculated as trailing 3 month Recurring Revenue multiplied by four. Aspirations for 2025 ARR assume no delays in key cloud transition projects and no adverse change in industry or operating outlook.
- 3 Recurring Revenue, SaaS Revenue and Non-Recurring Revenue are defined in section 1 of the 2024 Interim Report.
- 4 Net changes in working capital are reported in section 3.1 of the 2024 Interim Report.
- 5 Free Cash Flow and Cash Usage are non-GAAP measures and are calculated using the net movement in cash held, less cash used or applied to business acquisitions / earn-outs / movement in loans / exceptional items included within “other gains and losses” (see section 2.3 of the 2024 Interim Report).
- 6 Total cost to serve and operating expenses are disclosed in section 2.3 of the 2024 Interim Report.
- 7 Sources: Box Office Pro, Box Office Mojo, Rotten Tomatoes and Variety Magazine.
- 8 New reporting segments are defined in section 2.2 of the 2024 Interim Report, with 1H23 and FY23 comparative values also supplied. A datasheet is available on vistagroup.co.nz/investor-centre which contains reporting segment details by 6 month intervals from 1H20.
- 9 Contribution margin is a non-GAAP measure which is calculated as total revenue, less cost to serve, sales & marketing costs, and research & development costs.
- 10 Management’s estimate of the Cinema segment percentage of the world market for Cinema Exhibition Companies with 20+ screens, excluding China and India.

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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.