

Vista Group International

Clipping the ticket

Vista Group International is a global leader in film industry software solutions, with an estimated 40% share of the large cinema circuit market. Headquartered in Auckland, the company is dual-listed on the New Zealand and Australian stock exchanges, having listed in August 2014. The company reported a 57% lift in revenues to NZ\$27.2m for the six months to June 2015 and a 100% increase in EBITDA to NZ\$5m for the period. Vista Group has said that it is on track to meet its prospectus forecast for revenue of NZ\$61.6m for the year ending December 2015.

Capital raise and acquisitions

Vista Group raised NZ\$40 million in an initial public offering in August 2014. The IPO enabled the company to consolidate its ownership in MACCS and Virtual Concepts. Since the IPO, Vista has acquired the business of Ticketsoft in the US and the revenue of Cote Cine Group (a new distributor) in France.

Business Model

Vista Group provides cinema management, film distribution and customer analytics software to companies across the global film industry. Cinema management software provided by Vista Entertainment Solutions (VES) is the core business of the group. VES has more than 4,000 installed sites in over 60 countries and management estimates that over one billion cinema tickets are processed every year through Vista Cinema, one of VES's core products. Vista noted that VES had increased its sales network by more than 200 sites in the six months to June and that its sales pipeline put it on track to exceed revenue forecasts.

The company also offers back-end solutions for cinema operators through Book My Show and MACCS, and data analytics products, Movio and Numero, which deliver core data points for cinema exhibitors and distributors. Vista Group has over 300 employees across six offices in New Zealand (Auckland headquarters), Australia, the US, UK, Netherlands and China.

Consensus

The earnings table below shows the company's 2014 and its pre-IPO 2013 results. Having exceeded its 2014 prospectus revenue and net profit forecasts, the company announced in August that it was confident its second half sales pipeline would result in revenues in line with prospectus forecasts. The 2015 forecast is for revenue of NZ\$61.6million. First half revenue increased almost 60% to NZ\$27.2m and NPAT for the period rose 122% to NZ\$2m. There are no consensus estimates for Vista Group.

Historical financials

Year end	Revenue (NZ\$m)	PBT (NZ\$m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/13	30.5	7.8	9.6	0.0	56.7	N/A
12/14	47.2	6.3	5.9	0.0	92.2	N/A

Source: Vista Group International

Technology & system software

Price* **NZ\$5.44/A\$5.00**

Market cap **NZ\$435m**

*As at August 26 2015

Net cash (NZ\$m) at June 30 2015 29.4

Share price graph



Share details

Code	VGI/VGL
Listing	ASX/NZX
Shares in issue	79.97m

Business description

Vista Group International provides cinema management, film distribution and customer analytics software to companies across the global film industry.

Bull

- Strong management team with global and extensive experience in cinema management and software.
- Footprint established in US and Europe.
- Beachhead established in China.

Bear

- Exchange rate risk; more than half of revenues generated in US\$/€.
- Competitive market in US and Europe.
- Single industry focus; fortunes tied to cinema attendances.

Analysts

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