



NZX IPO MASTERCLASS

The Vista Group Listing Story

2 September 2015





Presentation Team

- **Brian Cadzow** – Co-founder and Director
Commercial & Legal Vista Group International Ltd

- **Jonathan Oram** – Division Director Macquarie

- **John Strowger** – Partner Chapman Tripp



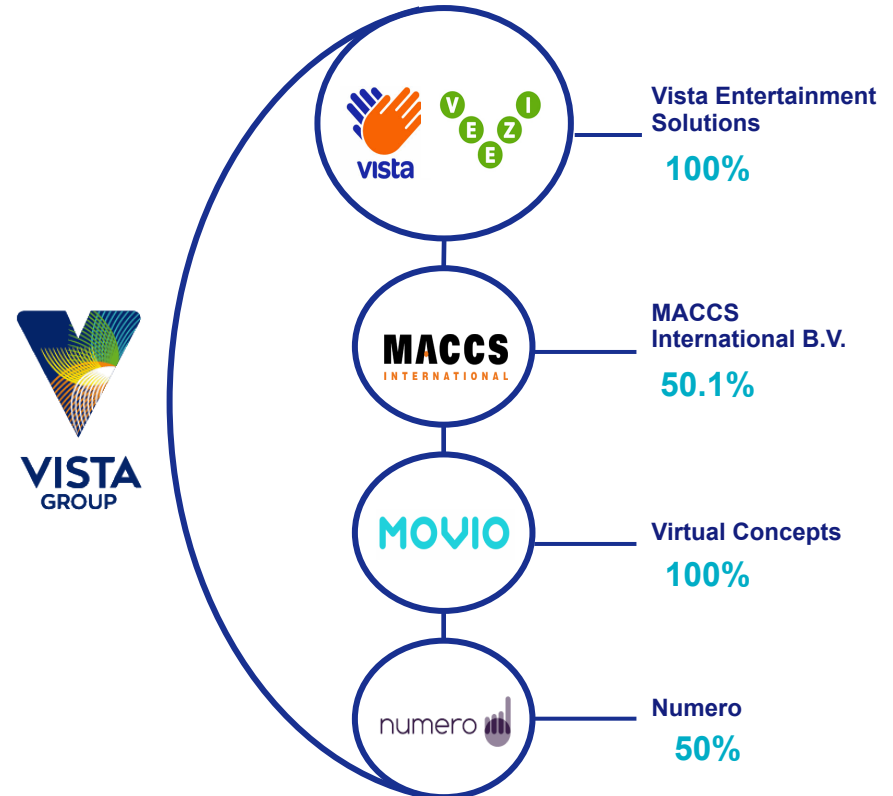


Agenda

- What does Vista Group do
Brian
- The decision to undertake an IPO
Brian
- IPO Process
 - Pre-IPO planning and preparation
Jonathan & John
 - The marketing process – road shows
Brian & Jonathan
 - IPO completion
Jonathan
- Life after listing
 - Investor relations
Brian
 - Rules & regulations
Brian & John
 - Share price performance
Brian
- Questions
All

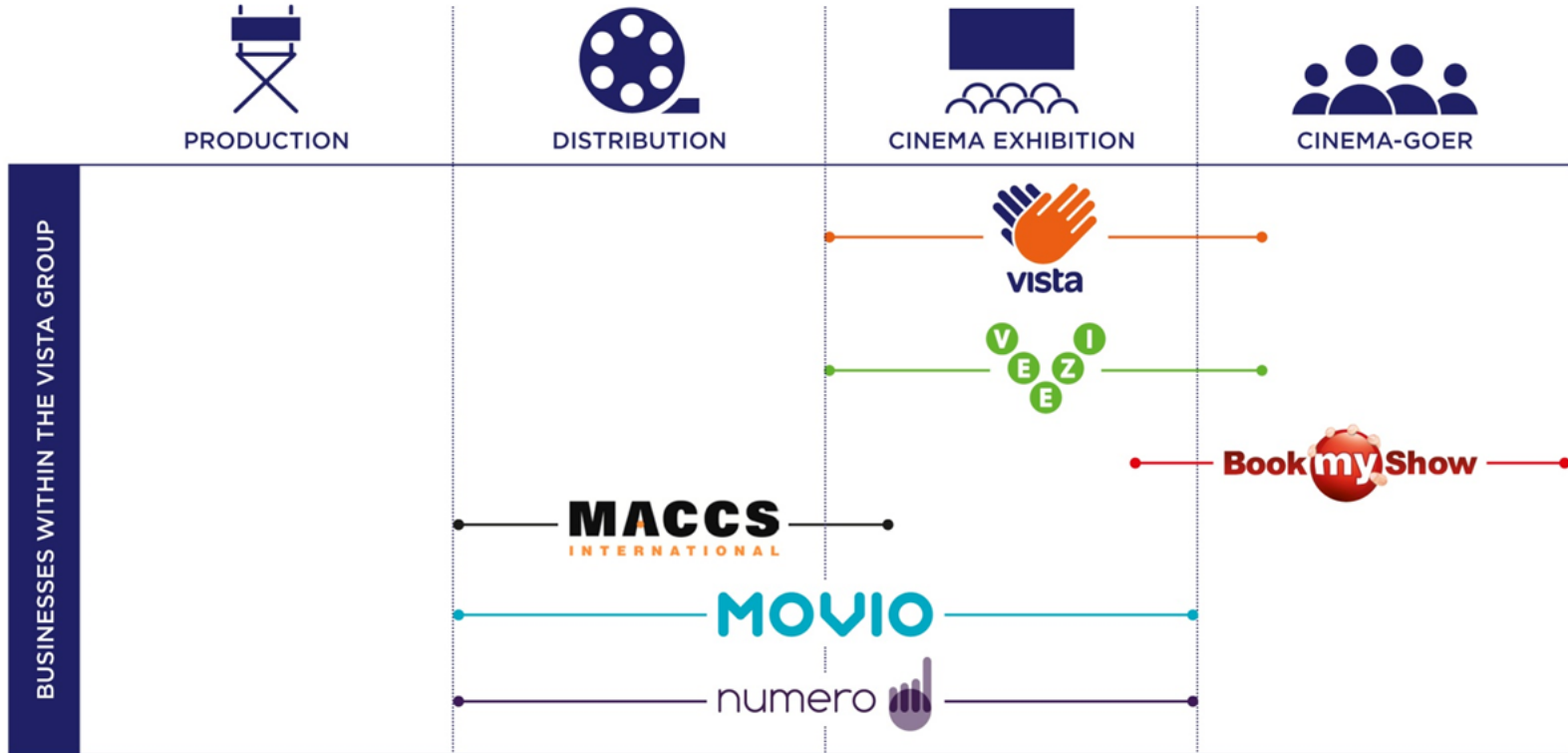
Entities in the Group

- New Zealand headquartered company that is a global leader in film industry software
- Vista Entertainment founded in 1996.
- Created SaaS version of cinema product (VEEZI) launched in 2014.
- Provides software to the film distribution industry through MACCS
- High growth data analytics through Movio and Numero – cloud based SaaS solutions
- Core of business is cinema software with 4,000+ installed sites in over 60 countries. 330% growth since 2009
- Global footprint of sales and support with 300+ staff across 6 offices in Auckland, Sydney, London, Los Angeles, Holland (Groningen) and Shanghai

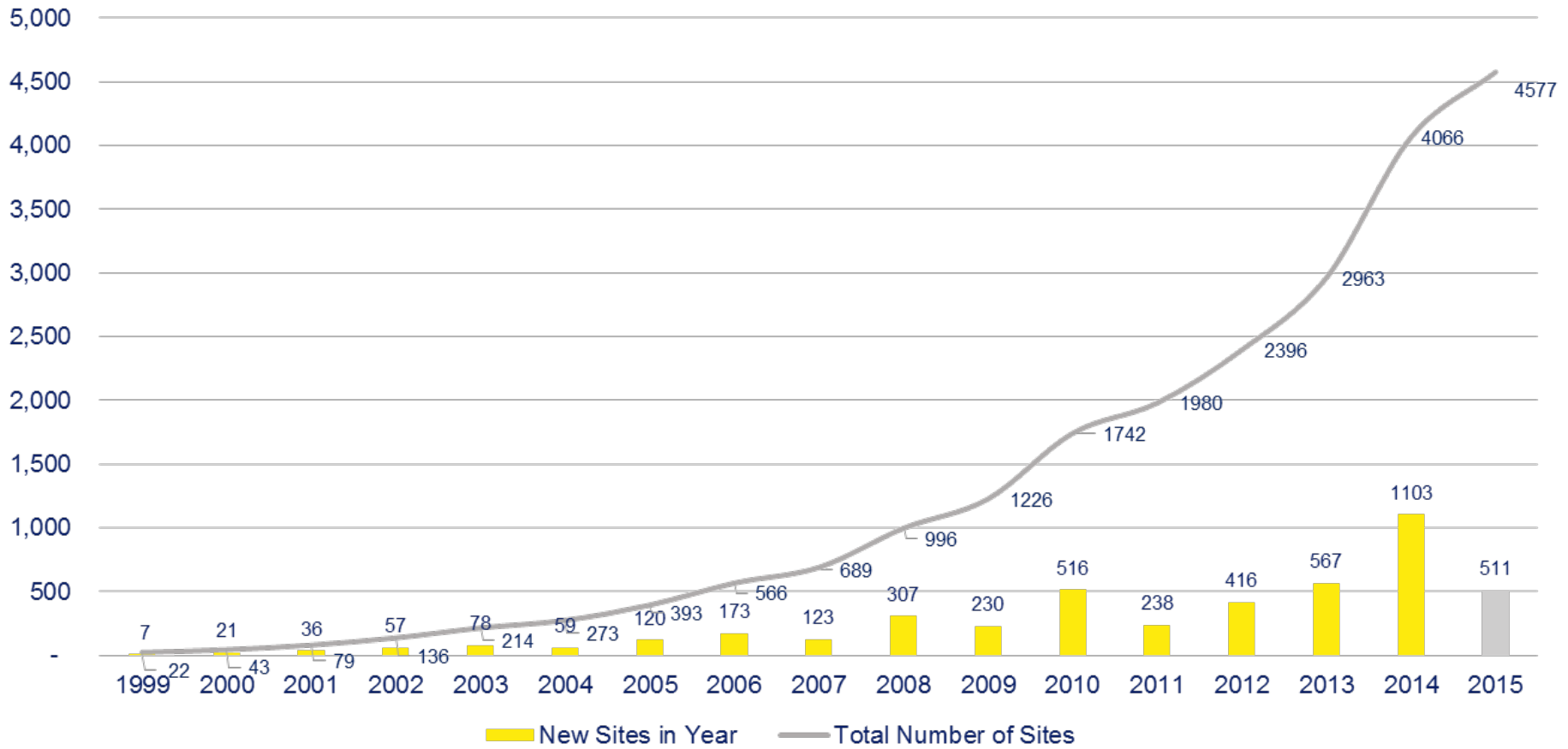


What does our industry look like and where does Vista Group sit

FILM INDUSTRY VALUE CHAIN



Vista Cinema – Growth in Sites





VISTA
GROUP

89% CANADA
2,067/2,323 screens

38% USA
11,318/30,050 screens

98% CENTRAL AMERICA
4,995/5,108 screens

19% SOUTH AMERICA
877/4,713 screens

24% EUROPE
4,076/16,865 screens

45% AFRICA
973/2,172 screens

38% WORLD WIDE
30,016/78,158 screens

28% ASIA
4,330/15,291 screens

84% AUSTRALASIA
1,380/1,636 screens

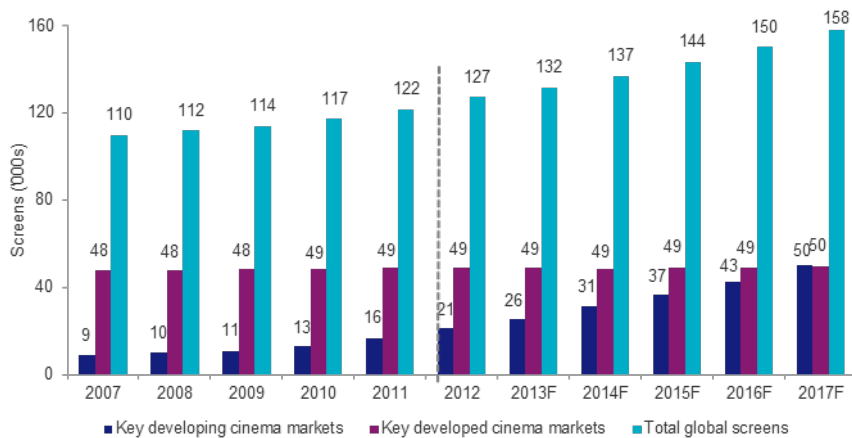
WORLD REACH

Vista Entertainment Solutions percentage of the market –
for Cinema Companies with 20+ screens

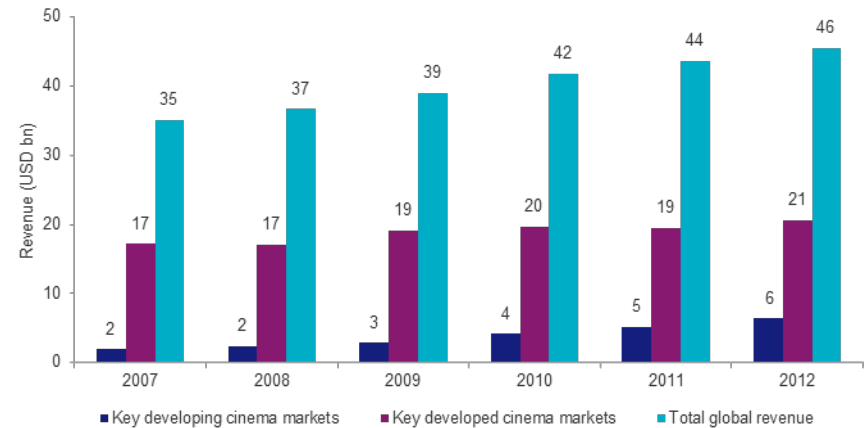
Trends in Cinema Exhibition

- Cinema exhibition revenue is driven by admissions and the number of screens
- The number of screens is particularly relevant to the Vista Group's business model
- Global number of screens have grown at a historic 2007 – 2012 CAGR of 3.0% and are forecast to grow at a CAGR of 4.4% over the next five years
- Growth in the number of screens is being driven by the structural growth of the consumer in developing economies
- Growth in multiplex cinema exhibitors in developing markets

Number of cinema screens over time ('000s)



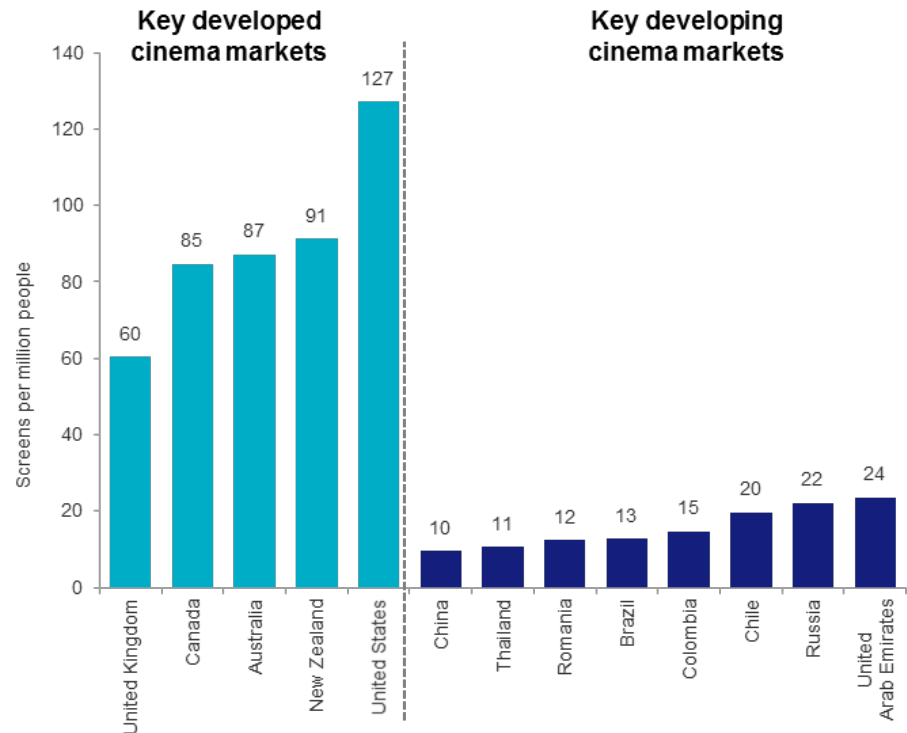
Cinema revenue over time (USD billion)



Developed vs developing cinema exhibition markets

- Cinema exhibition can be classified as either developed or developing cinema markets
- Developed cinema markets
 - Higher screen-to-population ratio and higher Admissions per capita
 - E.g. the USA, the UK, Canada, Australia and New Zealand
- Developing cinema markets
 - Relatively low screen-to-population ratios, low Admissions per capita and a lower proportion of multiplex cinemas
 - E.g. China, Thailand, United Arab Emirates, Romania, Russia, Chile, Colombia and Brazil

Screens per million people – Key developed vs. developing cinema markets





The decision to undertake an IPO

What were our key considerations

- Limitations of existing company ownership structure
- Desire to expand to become a film industry force not just cinema exhibition
- After considered review it was considered the best option for the business and the shareholders
- Choosing a lead manager

The decision to undertake an IPO

The limitations of the existing capital structure

- Company was 100% owned by management
 - 4 founding shareholders held 74%
 - 12 other staff shareholders held 26%
 - Many other staff wanted to own shares
- Lack of liquidity meant
 - No easy way to establish a market price for shares
 - Existing large shareholders had no easy exit strategy
 - Hard to introduce new shareholders
- The process to raise new capital or complete acquisitions was constrained



The decision to undertake an IPO

The desire to expand to become a film industry player not just cinema exhibition

- We had invested in Virtual Concepts (Movio) and saw the opportunity to expand the partnership as a single entity
- We saw the opportunity to partner with MACCS
- There were other opportunities to expand our market presence but they required us acting as a market player



The decision to undertake an IPO

Considered Review

- We started with talking to our bank – ASB
 - Capital Solutions Team – Fergus Lee & Grant O’Neill
- Board discussion
- Presentations to shareholders
- Process to involve more key staff as shareholders prior to the IPO

- This did take time



The decision to undertake an IPO

Considered Review – What did we consider to raise funds

- Dividend Recapitalisation
- Private Equity
- IPO
 - Cornerstone
 - Straight to IPO
- Trade Sale

The decision to undertake an IPO

Considered Review – What did we consider to raise funds

Strategic Options Summary

Criteria	Dividend Recapitalisation	Private Equity	Public Listing - IPO	Trade Sale
Day 1 Value Crystallisation	Low	Medium	Medium	High
Ownership retention	Full	Control or Minority	Control or Minority	Nil
Employee Incentivisation	Low	Low - Medium	High	Low
International Support	No	Firm dependent	International Exposure	Buyer dependent
Management Time	Low	Medium	High	Medium
Profile	Low	Medium	High	Medium

The decision to undertake an IPO

Choosing a lead manager

- From Vista's perspective
 - Advice from bank
 - Existing market contacts
 - Understanding that this is a sell job. They need to “get it” and be able to be as passionate about the proposal as you are.
 - Negotiate
- From the Lead Manager Perspective
 - Client that is willing to listen
 - Business has IPO appeal
 - Lead management terms

The IPO Process and key decisions

IPO Preparation

1. Appointment of advisors
 - Due Diligence Process
 - Vista had existing legal and accounting relationships
 - You need IPO ready expertise to add to the mix
 - PR required to build interest in the story
 - Vista had no history of PR in New Zealand due to its global focus
 - Had to find a firm that could “provide the value” in this process
2. The Board
 - Founder and executives
 - Cultural fit for new external independents
 - Provide lists
 - Interviews
 - When to bring them “on board”

The IPO Process and key decisions

IPO Preparation - continued

3. IPO structure

- Pre-IPO/ cornerstone investors necessary?
- Selldown vs cash raised
 - > Consider the size of the total float to generate investor interest
- Dividend policy
 - > 10 years history of dividends but proposed no dividend in PFI period
- Timing of bookbuild

4. Timing

- Aim to price off Dec 2015 forecast (Q4 2013 process start)
- Group tidy up pre IPO
 - > Foreign entity accounts – IFRS & audited !!
- Regal rollout progression
- IPO window



The IPO Process and key decisions

IPO Preparation - continued

5. NZX and ASX

- Consider benefits of Dual listing in Vista's case
- If it was felt it would needed in future now was the time to do it
- Wider institutional interest

6. Segmental reporting

- Provide sufficient data to market for analysis
- Issue of commercial sensitivity of some segmentation due to small number of subsidiaries and businesses

The IPO Process and key decisions

Market activity leading into the Vista IPO



The IPO Process

The Marketing Process

- Full marketing programme
 - Non deal roadshow
 - Analyst roadshow
 - Deal roadshow
 - Consideration of other education
- Market presentation of the company different from management view
- Auckland, Wellington, Melbourne, Sydney, Hong Kong
- Offshore marketing independent of ASX decision
- Up to nine one hour meetings per day
- Important to keep momentum going into the bookbuild

Roadshows

Non deal roadshow – June 2014

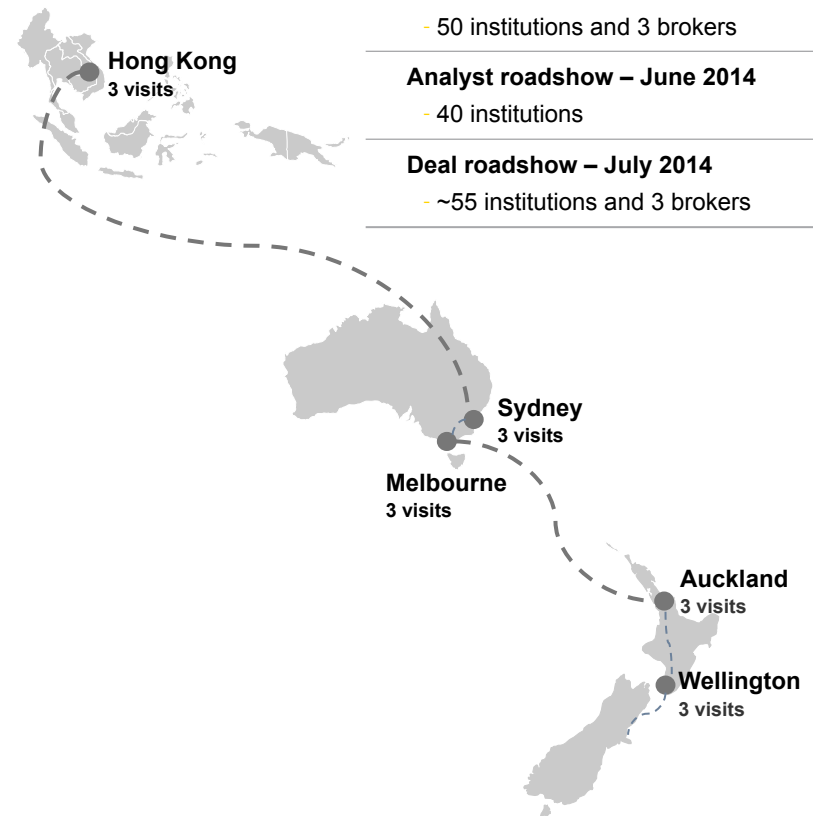
- 50 institutions and 3 brokers

Analyst roadshow – June 2014

- 40 institutions

Deal roadshow – July 2014

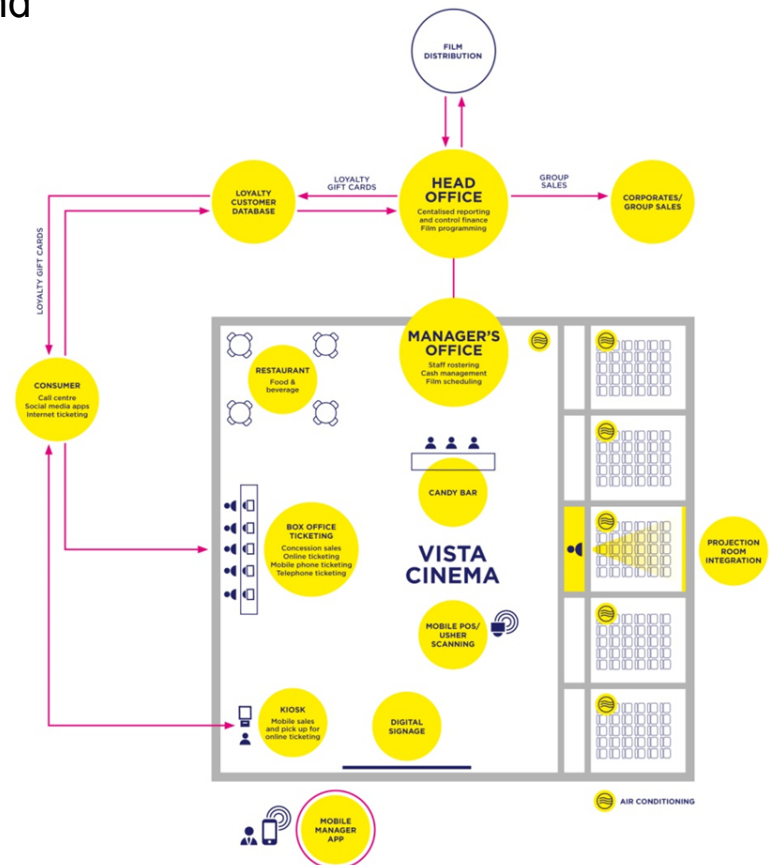
- ~55 institutions and 3 brokers



The IPO Process

The Marketing Process

Turning the company view of it's product model in to a view we thought the market & investors would understand



The IPO Process

IPO Completion

- Finalisation of offer structure
 - Locked-down forecast and selldown vs cash raised split
 - > Get Vista shareholder agreement
 - Lead in with full marketing process
 - Bookbuild range – balance of objectives
 - \$2.10 to \$2.70
 - Two day process involving the Macquarie sales desk and institutions from around the globe
- Retail offer period
 - Two and a half week period for brokers to secure retail demand
- Allocation Process and determining “the price”
 - Price objective - good to “...leave something on the table...”
- Listing Day
 - Vista Group shares opened 2.1% up on the final price of \$2.35



IPOI Completion

Listing Day



IPO Completion Listing Day





IPO Completion

Listing Day





IPO Completion Listing Day



Life After the IPO

Your Relationship with the Market

- Investor Relations
 - Yes this is actually a real and important function
 - Things we have done
 - > Investor day – actually what do our products do
 - > Regular calls and personal meetings
 - > Potential investor meetings – we get more of these than I thought
- PR
 - Now we actually have to do it
 - Questionis this a market release or just a press release...
 - Have the company understand the timing process for announcements
 - > Drafting – Approval – Release. This is not a 1 day job.
- How many announcements/releases do you have to manage

Life After the IPO

Reports & Announcements

[Investment Statement PDF](#)



[Prospectus PDF](#)



[2014 Interim Report PDF](#)



[2014 Consolidated Report](#)



[2014 Annual Report PDF](#)



[2015 Interim Report PDF](#)



View 2015 Announcements

- [28.08.2015 - FY2015 Interim Results Announcement - PDF](#)
- [28.08.2015 - FY2015 Interim Results Announcement Appendix 1 - PDF](#)
- [28.08.2015 - FY2015 Interim Results Presentation - PDF](#)
- [28.08.2015 - VGL LTI Announcement - PDF](#)
- [20.08.2015 - MOVIO Signs NCM US - PDF](#)
- [20.08.2015 - MOVIO NCM US - Media Release PDF](#)
- [10.08.2015 - VGL Changes to Management - PDF](#)
- [06.08.2015 - Vinx Partnership Signed for Japan - PDF](#)
- [31.07.2015 - ASX Appendix 4C – Quarterly Report - PDF](#)
- [29.07.2015 - FY2015 Half Year Results Announcement Timing - PDF](#)
- [16.07.2015 - MACCS Warner Bros USA Deal - US Media Release PDF](#)
- [08.07.2015 - MACCS Warner Bros USA Deal - PDF](#)
- [08.07.2015 - MACCS Warner Bros USA Deal - NZ Media Release PDF](#)
- [22.05.2015 - CCG Partnership Finalised - PDF](#)
- [20.05.2015 - VGL AGM 2015 - Chairman's Address - PDF](#)
- [20.05.2015 - VGL AGM 2015 - Presentation - PDF](#)
- [20.05.2015 - VGL AGM 2015 - Resolution Results - PDF](#)
- [08.05.2015 - Presentation to Australian Investor Conference - PDF](#)
- [06.05.2015 - MOVIO AMC Theatres US - Media Release PDF](#)
- [05.05.2015 - MOVIO Signs AMC Theatres US - PDF](#)
- [05.05.2015 - Notice of 2015 AGM - PDF](#)
- [28.04.2015 - ASX Appendix 4C – Quarterly Report - PDF](#)
- [23.04.2015 - Appointment of New Chief Financial Officer - PDF](#)
- [17.04.2015 - Appointment of New Auditor - PDF](#)
- [15.04.2015 - CCG Partnership - PDF](#)
- [10.04.2015 - MOVIO Launches Movio Media - Media Release PDF](#)
- [23.03.2015 - Ticketsoft Acquisition Final - PDF](#)
- [13.03.2015 - FY2014 Results Announcement Re-released - PDF](#)
- [13.03.2015 - FY2014 Appendix 1 Re-released - PDF](#)
- [02.03.2015 - FY2014 Audited Statements Adjustment - PDF](#)
- [27.02.2015 - FY2014 Results Announcement Final - PDF](#)
- [27.02.2015 - FY2014 Appendix 1 - PDF](#)
- [27.02.2015 - FY2014 Results Presentation - PDF](#)
- [26.02.2015 - VISTA Launches Vista Foundation - Media Release PDF](#)
- [18.02.2015 - FY2014 Results Announcement Timing - PDF](#)
- [14.02.2015 - S209 Annual Report 2014 Announcement - PDF](#)
- [11.02.2015 - Ticketsoft Acquisition - PDF](#)
- [30.01.2015 - ASX Appendix 4C – Quarterly Report PDF](#)
- [20.01.2015 - MOVIO NZIBA 2015 Finalist – Media Release PDF](#)

View 2014 Announcements

- [23.12.2014 - VISTA Group Share Issue – Staff Reward and Retention – PDF](#)
- [23.12.2014 - Director and Officer disclosure notices – Riley and Wang – PDF](#)
- [03.12.2014 - VISTA Dadi Cinema Roll-out – Media Release PDF](#)
- [24.11.2014 - VISTA Regal Project Completion – Media Release PDF](#)
- [30.10.2014 - ASX Appendix 4C – Quarterly Report - PDF](#)
- [02.10.2014 - China Market – PDF](#)
- [01.10.2014 - MACCS Option Exercised – PDF](#)
- [15.09.2014 - Price Enquiry – PDF](#)

Life After the IPO

Your Relationship with the Market

- Road Shows
- Research
 - This is vital to provide financial advisors the ability to recommend your stock
- Maintaining relationships with advisors and lead manager
 - There are always more issues to be resolved
 - Your shareholder base moves and maybe, just maybe you need to raise more capital

Life After the IPO

Rules & Regulations

- Register Composition
 - What is the calibre of your investor base
 - Who is increasing/decreasing their holdings
 - Shareholder analysis reports – yes these are important
- Listing Rules
 - The ASX & The NZX are not exactly the same
 - That wonderful thing called an Appendix 4C
- Financial Reporting and IFRS
 - Technical knowledge
 - Are you and your existing advisors up to the standard required in the listed environment
- Board Governance & Policies
 - Tier 1 policies, then Tier 2 & 3
 - Risk Registers
 - Reporting calendars and independent directors



Life After the IPO

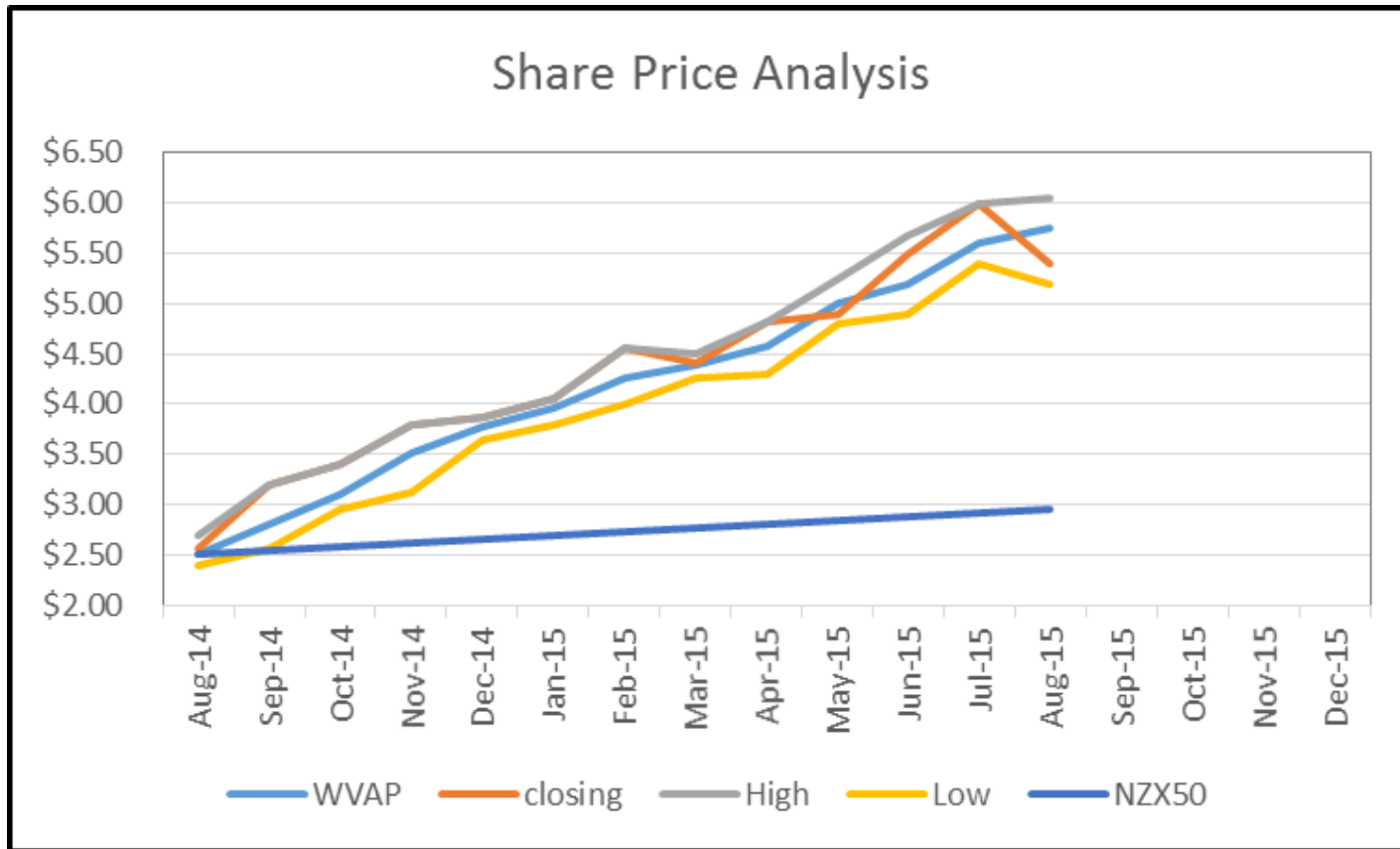
Rules & Regulations

- When something happens.....
 - Maintain good relationships with your advisors
 - Understand how the regulator will react
 - Communication is key
 - This is when your previous investor relations efforts will show rewards



Life After the IPO

Share Price Performance





Summary

Some closing points

- This is not a journey to be entered lightly
- Get a great team together
- How to reward the people working in the process
- Like any game you have to understand the rules
- The outcome does give you a platform to grow your business
- Don't over promise....over deliver



Life After the IPO



Questions

- But just remember we are now a listed entity so our answers always have to be within the bounds of continuous disclosure and ensuring the market is fully informed



