

# potentia<sup>®</sup>

Vista Group

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The Potentia Plan for Vista

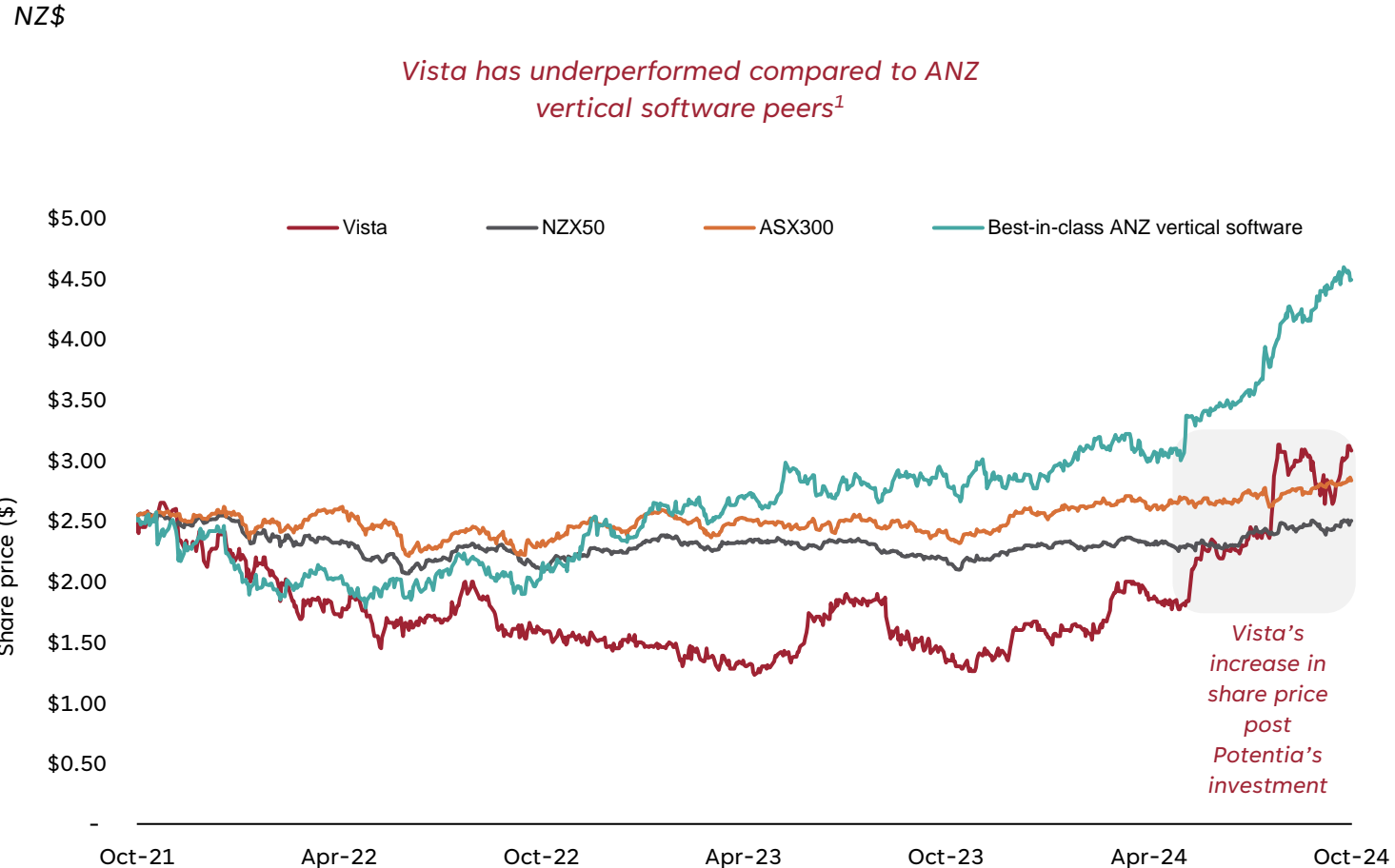
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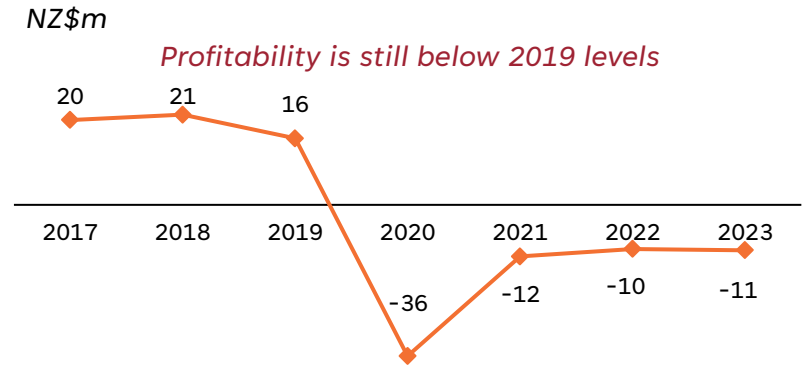
# Vista is an underperforming market leader

Despite strong global market share, Vista remains unprofitable and has underperformed a listed vertical software comps

## 3-year price performance (rebased to Vista)



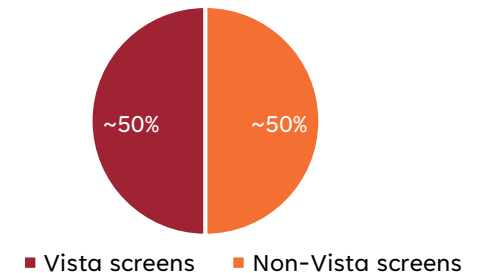
## Cash EBITDA<sup>2</sup>



## Vista's screen market share (ex. China)

#000 screens as at 2023

*Vista has ~50% market share globally despite recent losses (e.g. Cinemex to an on-prem solution (Admit One) and PVR Inox to Showbizz)*



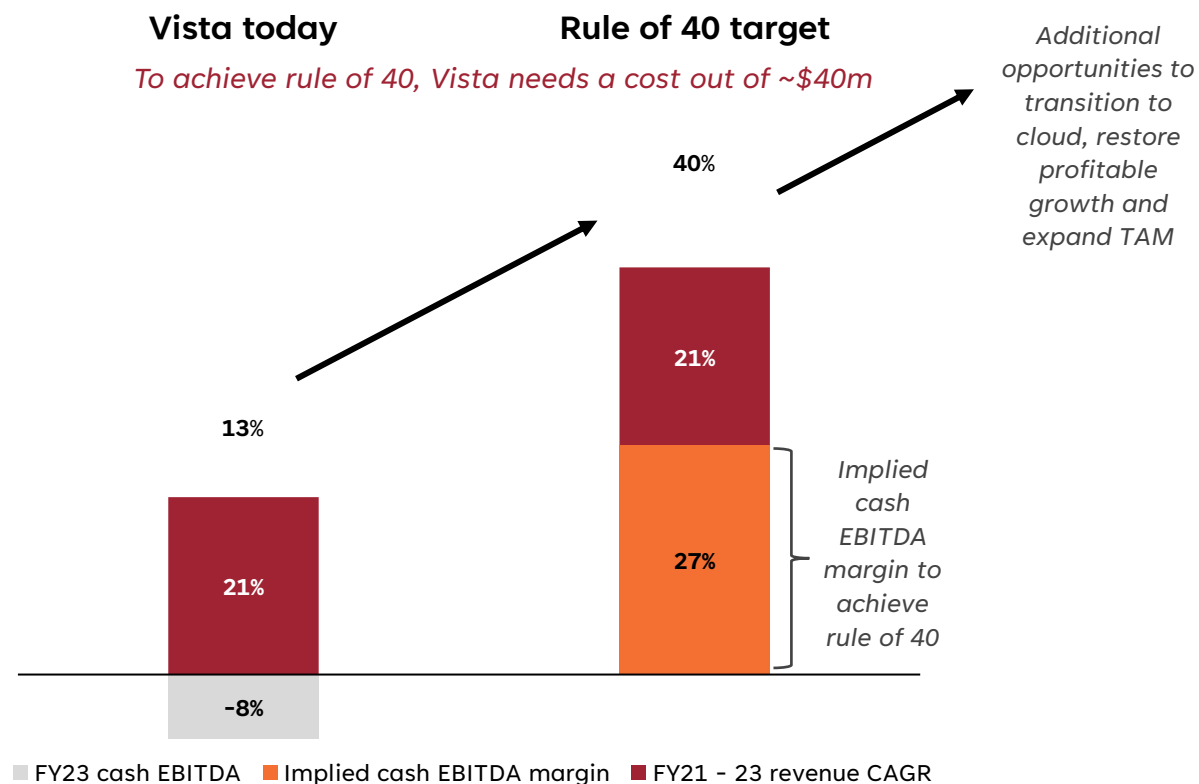
Source: Company filings and published data book, IRESS as at 18-Oct-24. Notes: (1) Best-in-class ANZ vertical software includes Gentrack, Siteminder and TechOne, weighted based on market capitalisation; (2) Cash EBITDA is reported EBITDA less Capitalised R&D and lease costs

The size of the prize from the turnaround is large – Vista has the potential to trade at >\$7 per share<sup>1</sup>

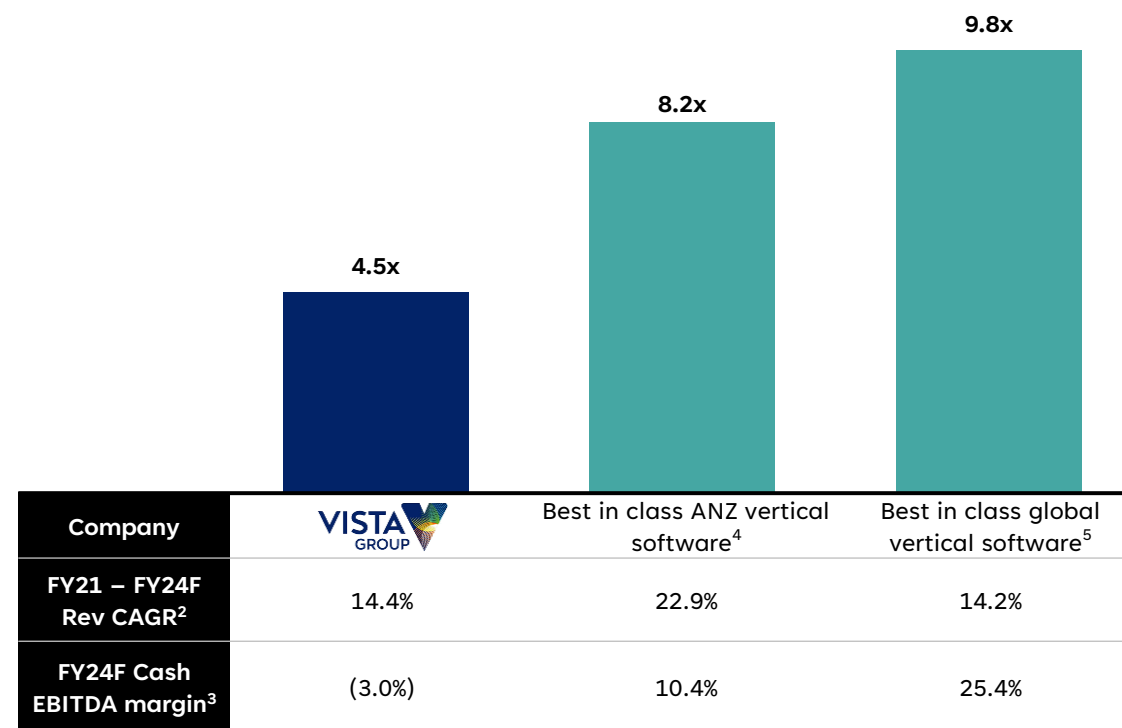


Vista's financial performance has been lacklustre - the upside to trade in line with top quartile global vertical SaaS is substantial

Vista should be at least achieving rule of 40. Potentia sees further upside:



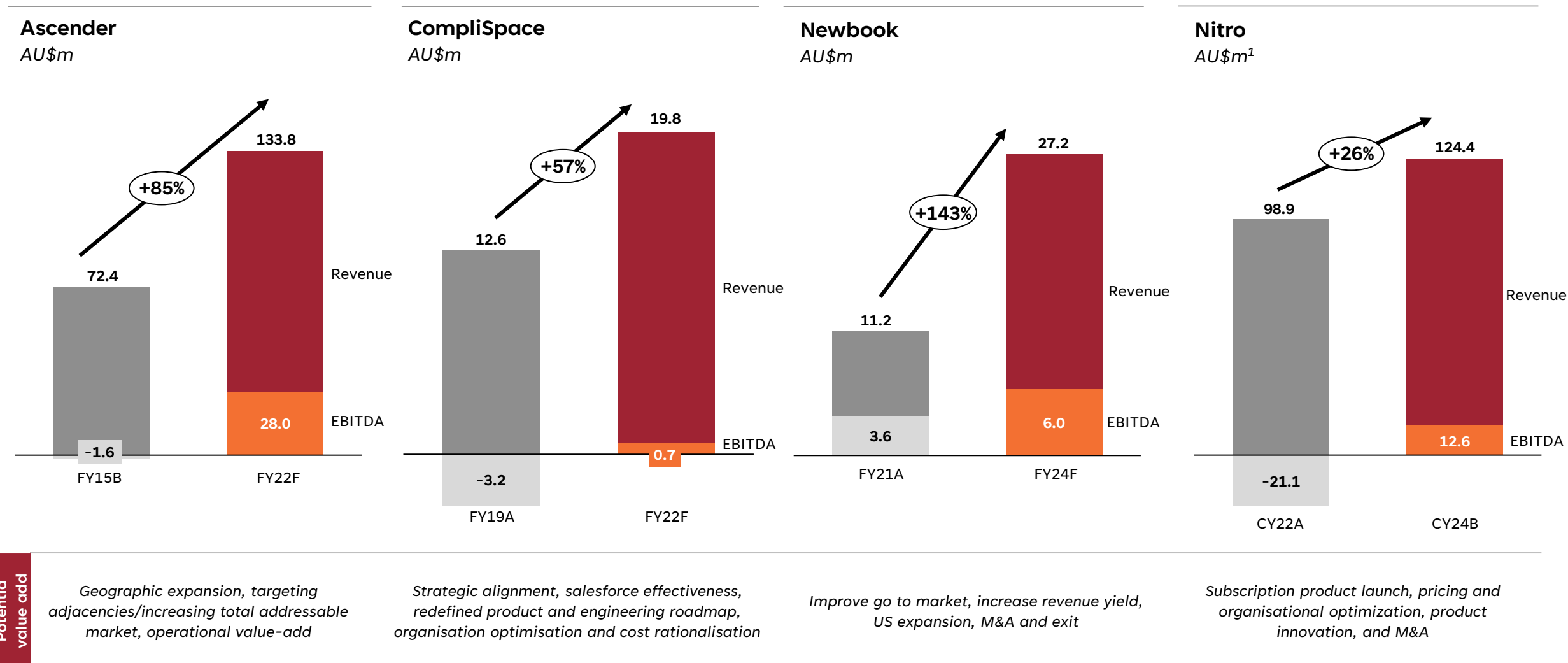
EV / NTM revenue trading comparables for best-in class ANZ and global vertical software companies:



Source: Factset as at 18-Oct-2024. Notes: (1) Based on NTM revenue multiplied by best in class global vertical software multiple of 9.8x less FY24F net debt forecast divided by shares outstanding; (2) FY21 – FY24F revenue CAGR based on broker consensus; (3) FY24F EBITDA margin calculated on a pre-IFRS 16 basis by deducting lease repayments and capitalised software development costs from EBITDA. FCF used as a proxy for cash EBITDA for global vertical software peers. (4) Australian peers in line with noted companies on page 3; (5) Best in class global vertical software include Veeva, Autodesk, Appfolio, Guidewire and ncino

# Potentia's wheelhouse is vertical software transformation

You need to have done this before to get it right. Cloud transition can take many years but it is no excuse for an excessive cost base – you have to “walk and chew gum”. Industry outlook is 1% site growth and 6% growth for box office revenue, further emphasising the need for profitability



Source: Potentia 2024 AGM presentation. Notes: (1) Converted to AUD using average rolling 3-month AUD/USD of 0.675526 at 20-Oct-24

# Capability on the Board is essential to the transformation

*While Vista has an excellent Board, tenure is too long, the skill base to lead to transformation is missing and the independent directors don't own enough shares*

## Skills matrix, tenure, and ownership of current Board and what Potentia would bring

Current Board members	Finance, risk, governance	Industry knowledge	Strategy	Cloud transition experience	Global M&A experience	Vertical SaaS transformation experience	Board tenure <sup>1</sup>	% stake owned <sup>2</sup>
Murray Holdaway		✓	✓				21 years	2.86%
Kirk Senior	✓	✓	✓				10 years	0.26%
Susan Peterson	✓		✓				10 years	0.05%
Cris Nicolli	✓	✓					7 years	0.04%
Claudia Batten		✓		✓			3 years	-
James Miller	✓		✓		✓		3 years	0.03%
<b>Potentia</b>	✓	✓	✓	✓	✓	✓		<b>19.93%</b>

## Key observations

- Vista has an excellent Board however:
  - The Board tenure is too long during which Vista has underperformed during their watch for too long
  - The current skills matrix is strong in finance, governance and risk, however lacks cloud transition experience and global M&A experience
  - The current Board does not represent proportionate shareholding which risks shareholder interests being under-represented
- Peter James was a missed opportunity of significance – highly successful tech focused companies around the world want him on their Boards (KKR, Nearmap, Macquarie Tech)

Source: Company filings. Notes: (1) As reported in Vista's 2023 annual report. The tenure may be longer for those that joined the Board prior to Vista's IPO. (2) Director's ongoing disclosure notices and Vista's most recent capital change notice

# As Vista's largest shareholder Potentia is committed to transformation

*Vista's own Board charter supports shareholder representation for significant investors. Potentia's request for 1 Board Seat aligns with this principle - Potentia is Vista's largest shareholder, with the right experience, no conflicts and is committed to representation*

## Substantial shareholders<sup>1</sup>

Name	% shareholding
Potentia	19.9%
Fisher Funds	14.6%
Fidelity	9.6%
Harbour	6.3%
ACC	4.8%
NZ Super	2.1%

**Section 3.3 of Vista's own Board charter states that "significant shareholders should be represented on the Board"**

*Potentia owns ~19.9% of Vista shares, and is requesting 1 Board seat out of 6 total seats (or 16.7% representation)*

**Proxy advisers support proportional shareholder representation**



**Potentia is committed to improving the performance of Vista for the benefit of all shareholders**

- We are not pursuing a takeover
- We are prepared to accept all of the existing company protocols
- We genuinely believe in the potential of Vista Group and the significant upside opportunity
- We have the industry and strategic experience to bring value to Vista and its shareholders
- Potentia has never received nor declined the opportunity to engage with shareholders in conjunction with the company, and would welcome the opportunity to do so
- Potentia believes that change is warranted on the Vista Board and that its proposed candidate will strengthen the Board with the skills and experience to drive performance