

Smart Parking Limited (ASX:SPZ)

FY19 Results

26 August 2019
CEO Paul Gillespie

smartparking.com



Recovery & growth

World-leading technology and first-class managed services.

Management Services | UK

- Year of consolidating and strengthening market position.
- Successful stabilisation has created a platform for long term growth.
- Growth in market position with industry leading technology.
- New management team and additional heads in sales and operations fuels positive growth in site installations.

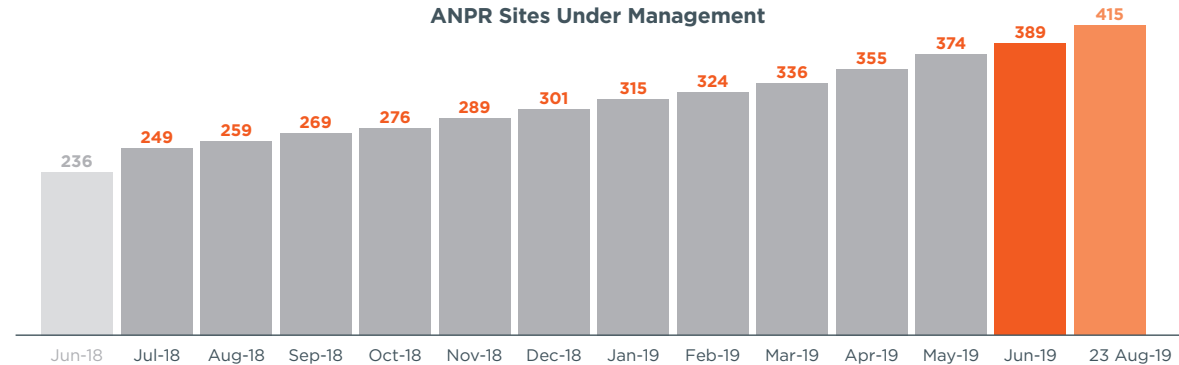
Technology | Global

- Executing long term growth strategies in the IoT marketplace.
- Significant market opportunities intact with solid operations plan.
- New smart city product delivery strengthens SPZ technology offering and global market position.
- R&D funded from operating cash flow and treated as an expense.

Strong balance sheet to self fund growth strategies

Recovery & Growth | Smart Parking Group

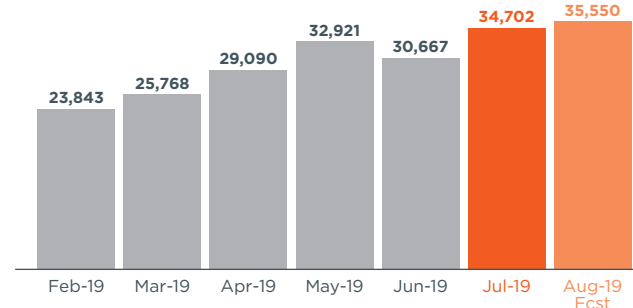
ANPR Sites Under Management



UK ANPR roll out continues

181 new sites installed in FY19, with 28 removed. **389** total sites under management using ANPR technology at 30 June. **415** total sites under management at 23 August. Pipeline continues to grow currently in excess of **300** sites.

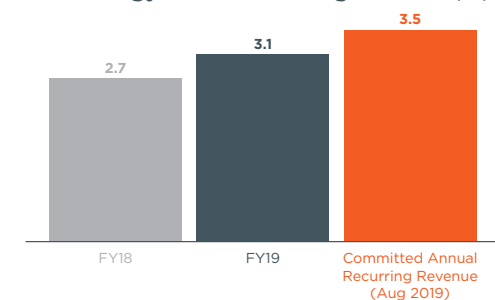
PBNs Per Month



PBN's now returning to growth

Despite some significant site losses in FY19 PBN issuance is now returning to growth in line with site acquisition.

Technology Annual Recurring Revenue (m)



Annual recurring revenue grows

Annual recurring revenue from the technology business continues to grow as we win more customers.



FY19 Financial Update

Smart Parking Group

- Reaffirming the message at the half year, SPZ is investing in our people, product and process to fuel future growth.
- Lower revenue in FY19 due to:
 - The loss of some key car parking sites in the UK management estate.
 - Higher client revenue share due to site mix.
 - Fewer PBNs being issued in line with customer engagement strategy.
- Investment in additional sales executives, customer engagement strategy and operational resource is showing results in more new site wins, set to continue into FY20.
- Site growth in the UK Services business in FY20 will increase PBNs issued and drive revenue growth.

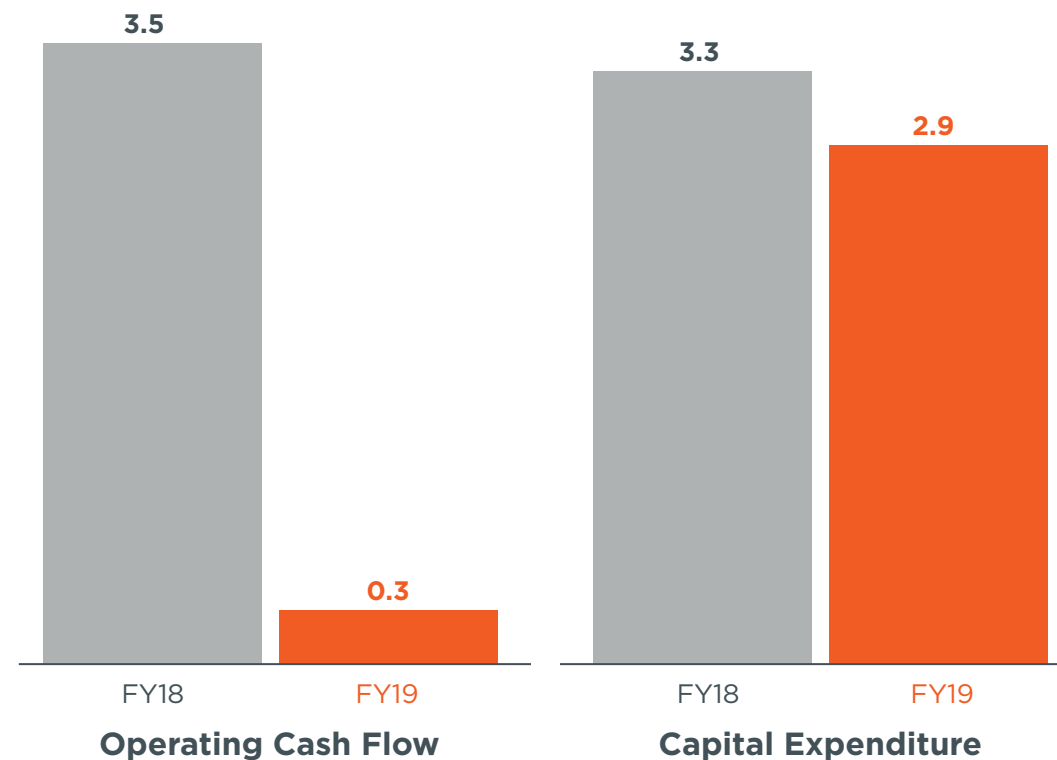
FY19 Results | Group Profit & Loss (m)

	FY18	FY19
Revenue	30.7	27.0
Cost of Sales	(13.1)	(12.0)
Gross Profit	17.6	15.0
Overheads	(13.5)	(15.4)
EBITDA	4.1	(0.4)
Net Interest Received	0.3	0.3
Depreciation & Amortisation	(2.0)	(1.9)
Other	0.0	(0.2)
Net profit/(loss) before tax	2.4	(2.2)
Tax expense	(0.7)	(0.4)
Net Profit/(loss) after tax	1.7	(2.6)
Gross Margin %	57.4%	55.6%
Overheads/Revenue %	44.0%	57.0%
EBITDA Margin %	13.4%	0.2%
EPS (cents per share)	0.46	(0.72)

FY19 Results | Group Financial Position (m)

\$m	Jun-18	Jun-19
Current assets	23.2	18.8
Non current assets	8.8	9.7
Total assets	32.0	28.5
Current liabilities	7.8	6.5
Term liabilities	0.1	-
Total equity	24.1	22.0
Net cash & cash equivalents	13.4	10.5

FY19 Results | Operating Cash Flow & CAPEX (m)



- Strong balance sheet with cash reserves and no debt – well placed to fund growth strategies.
- All corporate bonds liquidated during FY19 - \$10.5m is all cash
- Payments for fixed asset additions of \$2.9m related to deployment of technology in the UK.
- Deferred tax asset of \$0.5m.



Segment reporting

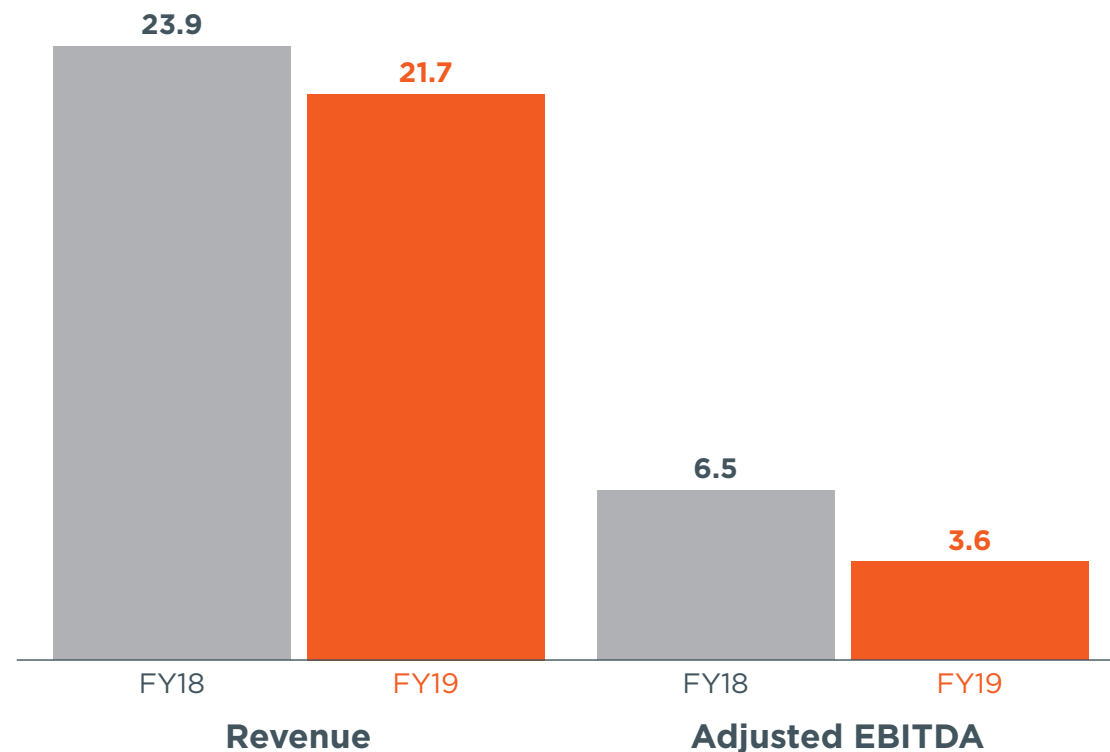
(000's)	Revenue			EBITDA		
	FY18	FY19	FY19 vs FY18	FY18	FY19	FY19 vs FY18
Parking Management	23,873	21,692	(9.1%)	6,521	3,609	(44.7%)
Technology Division	8,860	7,650	(13.7%)	(565)	(1,213)	(146.9%)
Research & Development	0	0		(696)	(1,020)	(46.6%)
	32,733	29,342	(10.4%)	5,260	1,376	(73.8%)
Corporate	327	235	(28.1%)	(1,190)	(1,120)	5.9%
Eliminations	(2,041)	(2,393)	(17.2%)	0	0	
Underlying Revenue / Adjusted before EBITDA before non recurring items	31,019	27,184	(12.4%)	4,070	256	(93.7%)
<i>Adjusted EBITDA Margin</i>				13.1%	0.9%	
<i>Parking Management Division EBITDA Margin</i>				27.3%	16.6%	
<i>Technology Division EBITDA Margin</i>				(6.4%)	(15.9%)	
<i>Research & Development/Technology Revenue</i>				7.9%	13.3%	

Management Services

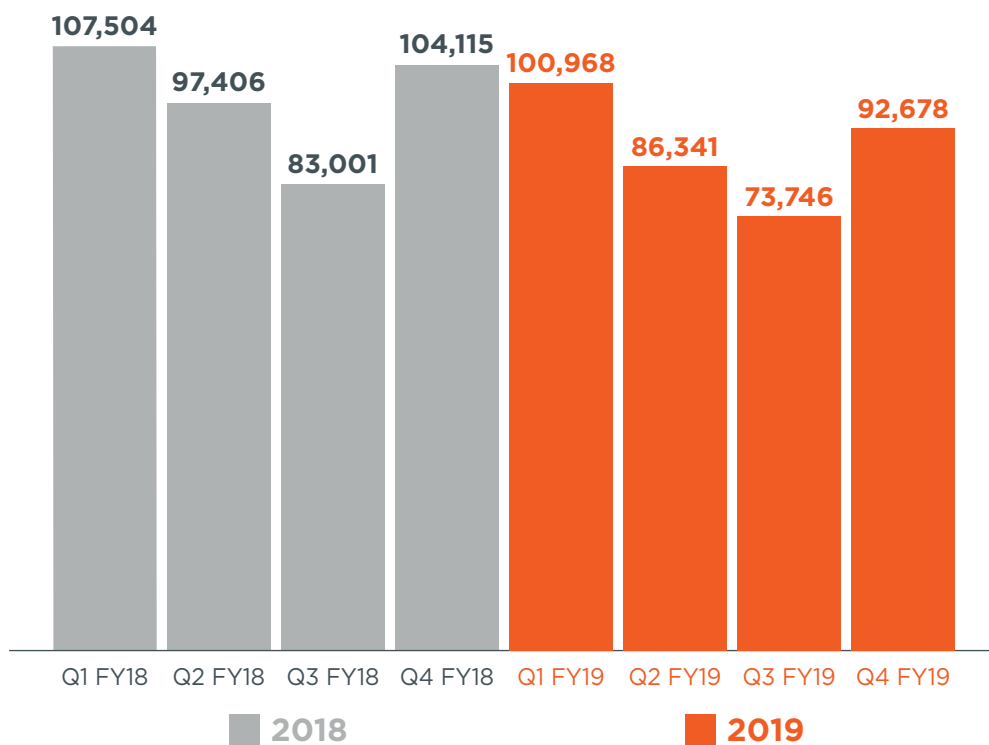
- Business stabilised and now back in growth mode following successful sales and customer engagement strategy.
- Despite the loss of key sites through FY19, the exit run rate is strong, demonstrated with July 2019 EBITDA of \$0.5m.



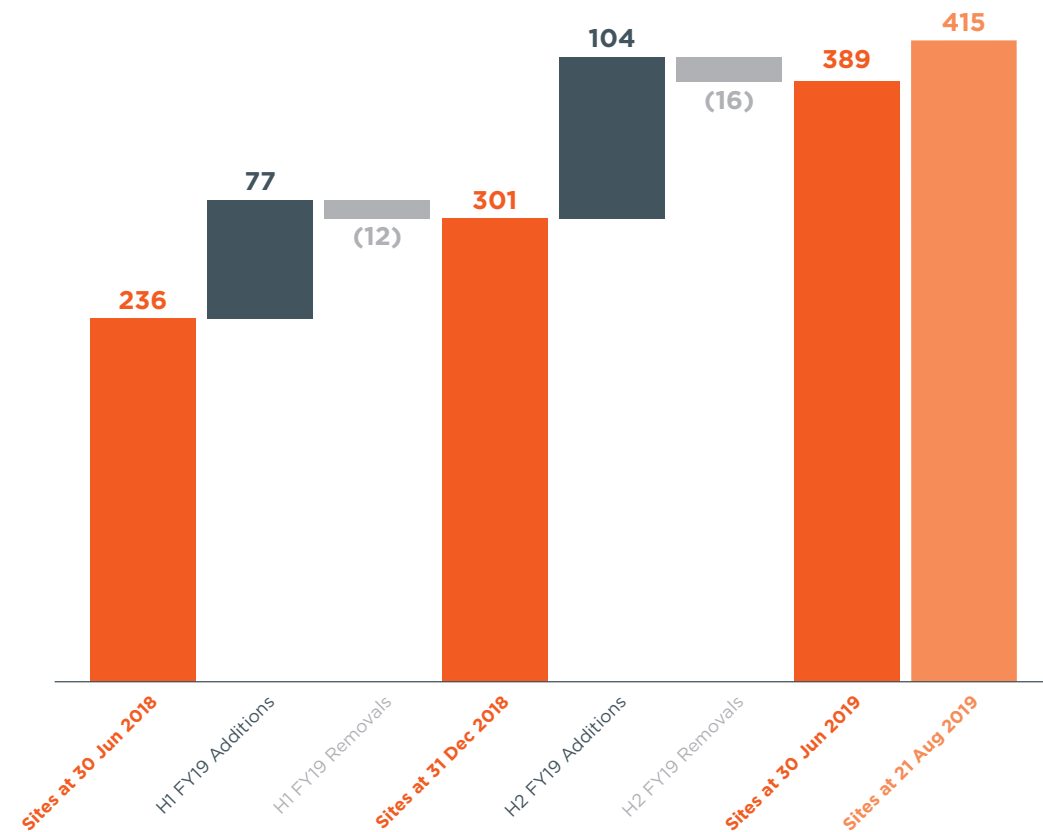
FY19 Results | Management Services Financials (m)



FY19 Results | Parking Breach Notices Issued



FY19 Results | Site Reconciliation



- PBNs issued are growing, as demonstrated in the July 2019 results.
- Record number of site additions during FY19, with a focus on winning and installing 200 new sites in FY20.
- Exercise in the removal of poor yielding sites complete in H2 FY19.

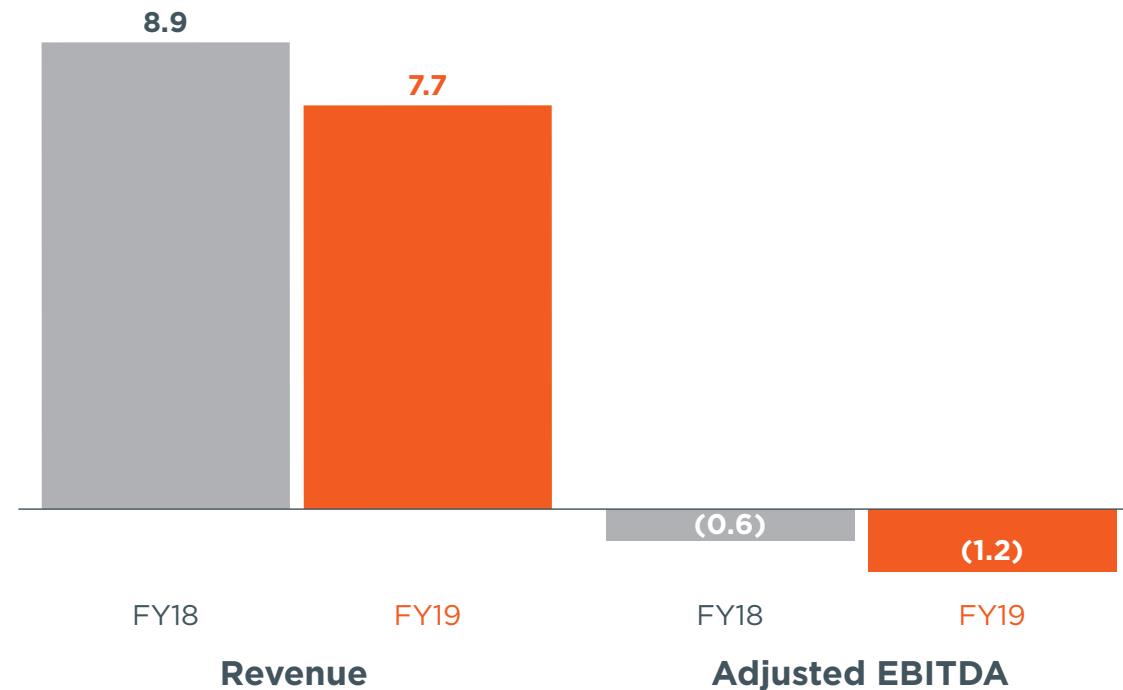


Technology

- Results reflect the cost of dual processing as we migrate customers from legacy systems to the new SmartCloud platform.
- FY19 result impacted by customer delays in smart city project delivery.
- Firm orders of \$1.6m to install in FY20.
- Annualised committed recurring revenue of \$3.5m.



FY19 Results | Technology Financials (m)

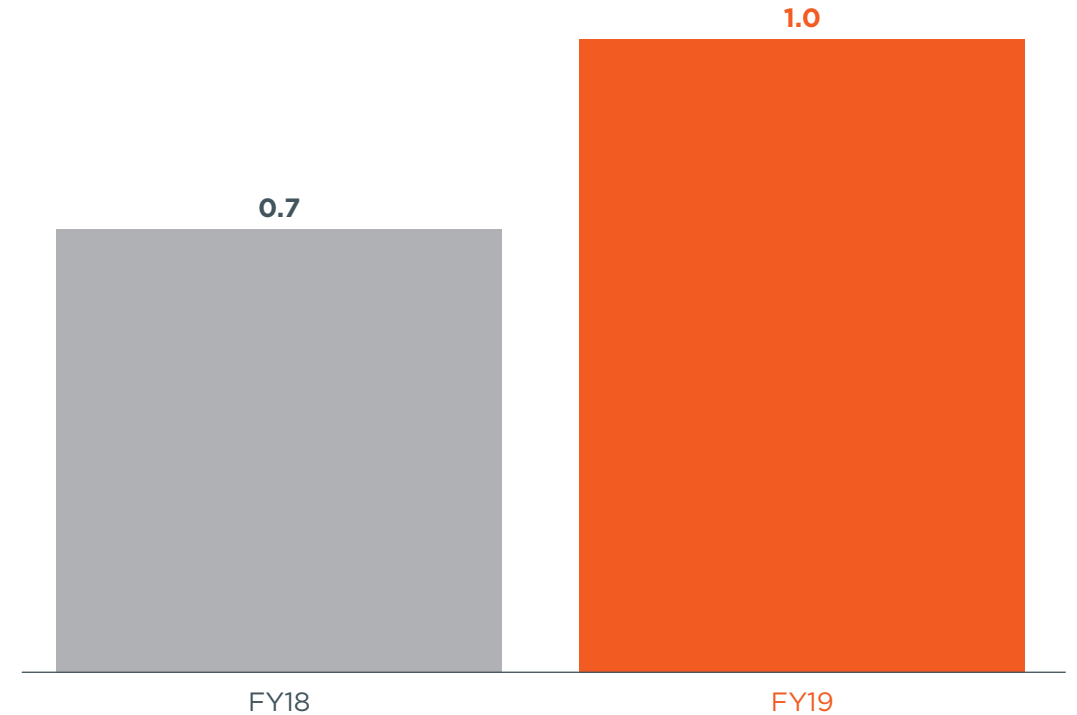


Research & Development

- Increased investment in the Smart City platform including delivery of the Smartphone payment application and enhancements to SmartCloud and new hardware products.
- Ongoing investment in R&D will support future revenue growth.



FY19 Results | Research & Development Investment (m)



FY19
Business
Update

Business update: UK managed services

| Investments driving recovery and growth

- Strong focus on capturing market share in the ANPR parking enforcement market place – total market of 45,000 off street sites.
- Investment in additional sales and operational capacity showing positive results delivering a record number of new ANPR installations in FY19 of 181 sites.
- Despite the loss of key sites, investment in infrastructure is showing positive growth with a strong exit run rate, demonstrated by July 2019 EBITDA of \$0.5m.
- SPZ has a big addressable market and are focused on capturing the opportunity, with over 300 new sites in the Services pipeline for FY20.
- Over 76 million cars using SPZ managed car parks during FY19 across the UK estate. Volume set to increase in line with site acquisition growth.
- UK services market consolidation continues with more corporate actions during H2 FY19.



Management services

| Diverse and growing customer base

- Growth in sales force continue to be successful in winning new sustainable business.
- Pipeline of new sites and clients growing beyond 300 locations.



Business update: Technology

| Smart City and IoT technology continues to be adopted

- Focused sales effort in winning customer contracts across all verticals, growth in partnerships and the delivery of best in class technology.
- Growth of new market relationships across all territories including Germany, Gibraltar, UK, South Africa, Australia and New Zealand.
- First order received from German retailer Kaufland, with further installation of Smart Parking products to sites across Germany and Australia to follow.
- Firm revenue of \$5.1m in FY20, including \$1.6m new business and \$3.5m of committed annual recurring revenue.
- Continued R&D investment to deliver future revenue streams.



Growing technology customer base

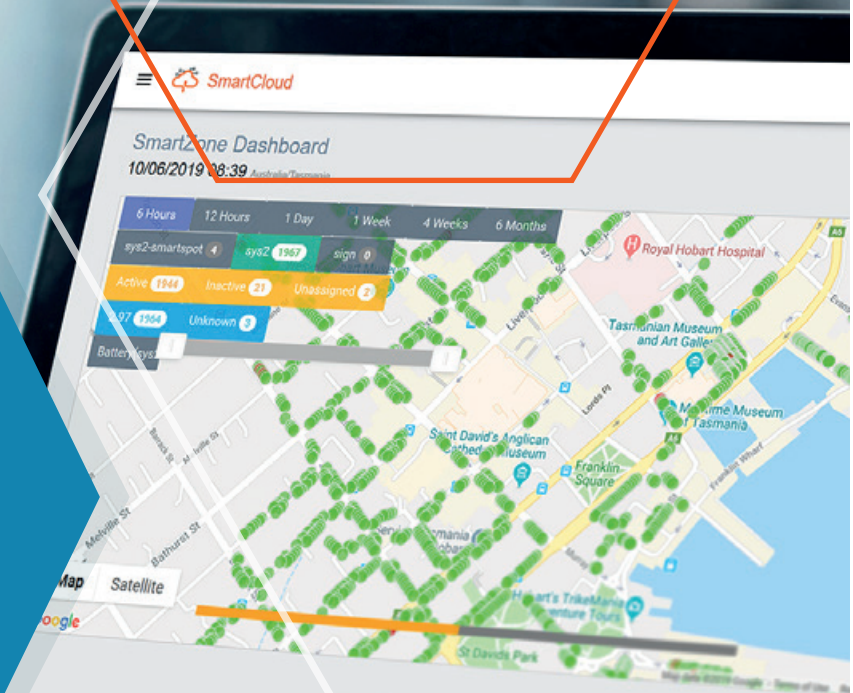
| Continued growth within all operating territories, and expansion into new markets.

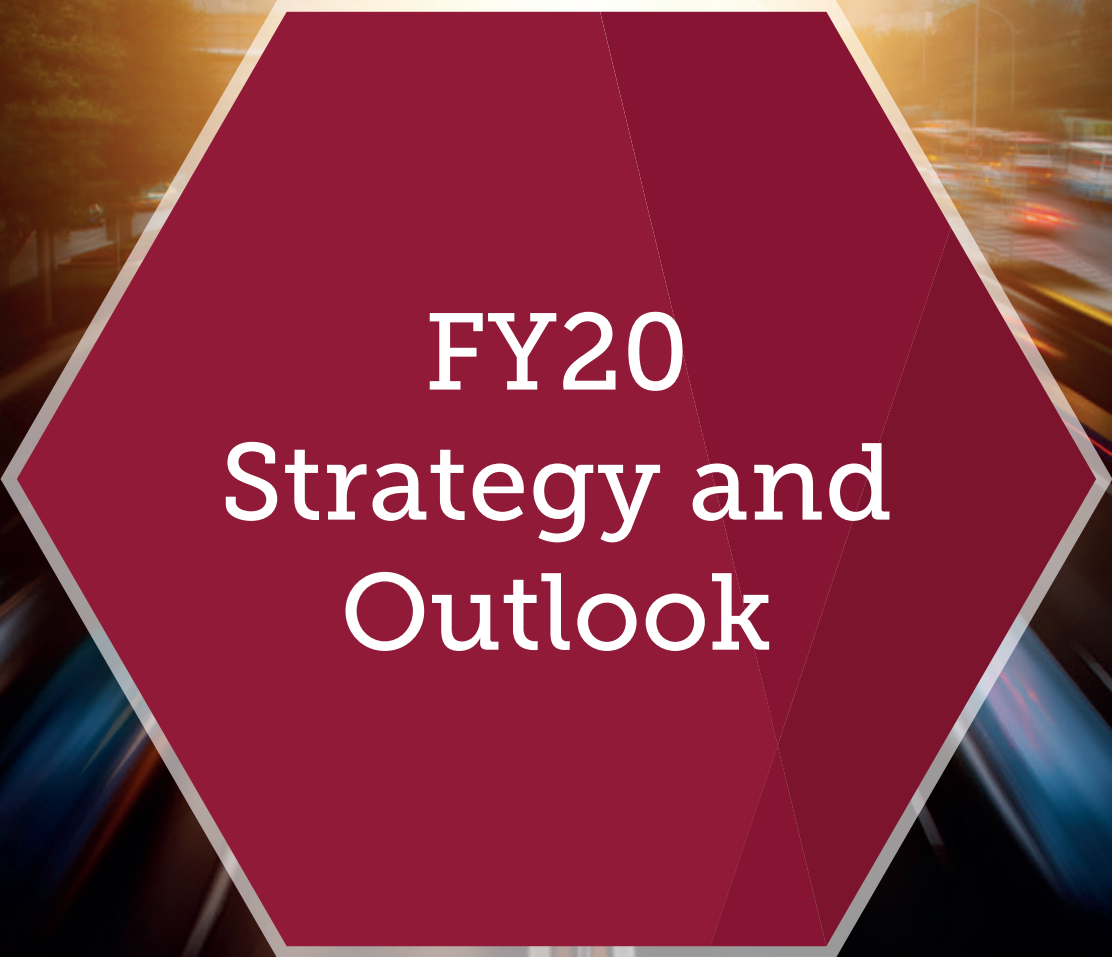


Business update: R&D

| Investment in smart city technology stack

- **Parking App** – guidance, payment and enforcement tracking delivered in FY19 to multiple customers.
- **SmartCloud platform** – additional functionality delivered to enhance the smart city and IoT dashboard.
- **SmartCloud platform** – message processing from multiple IoT devices:
 - smart lighting for council customers
 - smart LPR for parking management customers
 - ingestion of flight information and people counting data for aviation customers
- **API Portal** – developers at client sites can create reports and dashboards to exact specifications.
- **Enforcement management system** – in development to complete the end-to-end customer journey, opening up a wider pool of customers with greater product offering.
- Smart Parking is well poised to keep up with the Smart Cities momentum.





FY20 Strategy and Outlook

FY20 Strategy and Goals – Services

- Business back into growth phase with new expanded sales team.
- Significant infrastructure investment in FY19 now delivering earnings growth demonstrated with July 2019 EBITDA of \$0.5m.
- Site growth to continue with a target of 200 new installations in FY20, resulting in increased PBNs.
- Maintain discipline in customer engagement to deliver the best possible customer experience and limit site losses.
- Substantial market opportunity affirmed, SPZ well positioned and well funded to capture greater market share.

FY20 Strategy and Goals – Technology

- Clear focus on product development and delivery for the Smart City and IoT market place globally.
- Growth in Technology sales team to drive new business.
- Grow revenue from existing customer portfolio through additional IoT services.
- Maintain win rate of key local authority business across all operating markets.
- Global IoT opportunity reaffirmed with SPZ well positioned to capture market share.



Contact

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A long-exposure photograph of a multi-lane highway at night, showing vibrant red and white light trails from moving vehicles. The highway is elevated and curves through a cityscape with various buildings and greenery visible in the background.

Supplementary Information

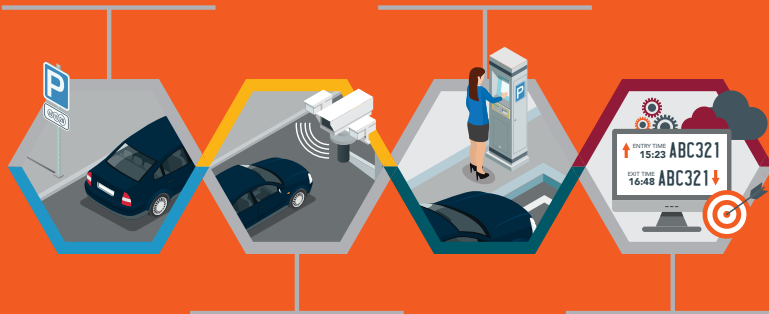
Management services: How it works

| Parking management improving customer satisfaction and revenue generation.

- **ANPR** | Automatic Number Plate Recognition
- **Pay & Display** | ANPR Linked Automated Payment System
- **Site Surveys** | Real-time information, analysis and trend data
- **Parking Attendants** | Trained and qualified staff
- **DPC (Disabled, Parent and Child)** | Protecting the vulnerable
- **Marshaling** | Trained, professional and customer-friendly marshals

Motorist

Enters the carpark at the defined entrance



ANPR Recognition

Camera identifies the number plate of cars entering and leaving the premises

Validation & payment

Machines facilitate pay & walk or validate parking

SmartCloud

Automates information and provides detailed reporting





ANPR: How it works

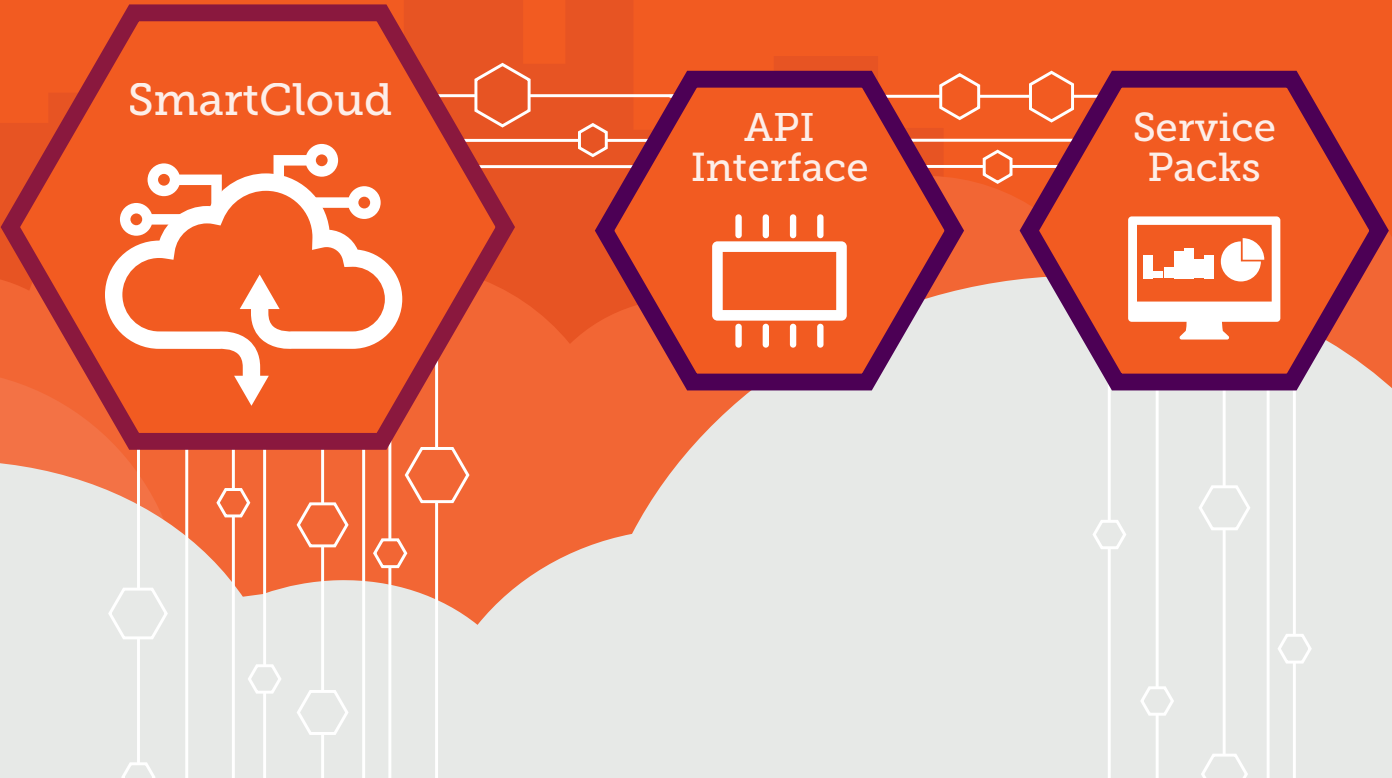
| Automatic number / license plate recognition (ANPR) is a reliable, cost effective off-street parking management solution.

It is proven to serve a wide range of industries including supermarkets, retail, hotels, hospitals and leisure centres. Smart Parking's ANPR solution ensures greater compliance and increased parking revenue.

- Ticketless, barrier-free system, parking areas that are managed 24/7
- Automatically generated and issued parking charge notices
- Increased security, comprehensive reporting and account management

Technology: How it works

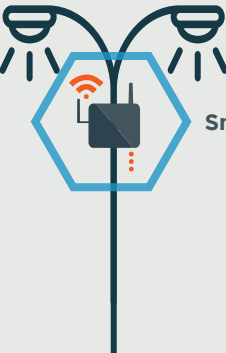
| Smart Parking's technology provides effective parking management solutions around the world.



SmartZones

▼ On-Street Parking

Off-Street Parking ►

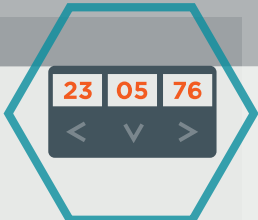


SmartSpot

SmartApp



Marshall Handheld



Variable Message Signs



ANPR Camera



Overhead Guidance



In-Ground Sensor



Car Counter



Infrared Sender



Pay & Walk

Smart Parking app

| The Smart Parking app and its customised Miami, Cardiff, Adelaide, Moreton Bay, Moonee Valley, Livingstone Shire apps delivered.

Features and benefits:

- Available for both Android and iOS.
- Provides detailed information around hours, tariffs and bay types.
- Shows real-time availability of car park bays.
- Harnesses the power of Google Maps to provide distance and directions to suitable bays.
- Payment function will allow cashless payment and remote top-ups.



Glossary

Adjusted EBITDA – The Board assesses the underlying performance of the Group based on a measure of Adjusted EBITDA which takes into account costs incurred in the current period but not expected to occur in the future.

EBITDA – represents Earnings before interest, taxation, depreciation and amortisation.

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