

A long-exposure photograph of a car driving through a tunnel. The car's side mirror is visible in the foreground, and the tunnel's lights create a sense of motion and depth.

# Sensys Gatso Group AB

**Q3 2019 Market Presentation**

**Audiocast**

**November 28, 2019**



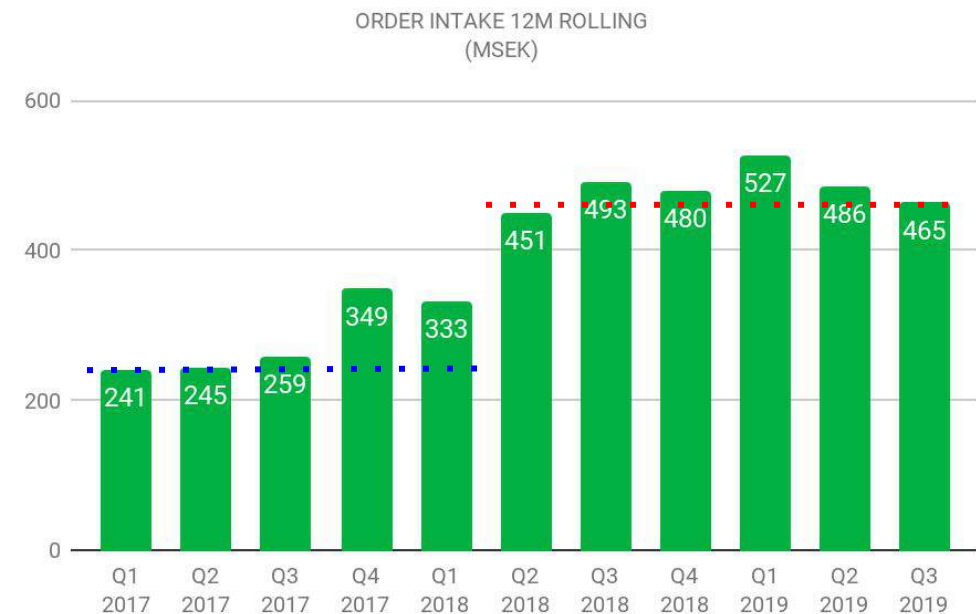
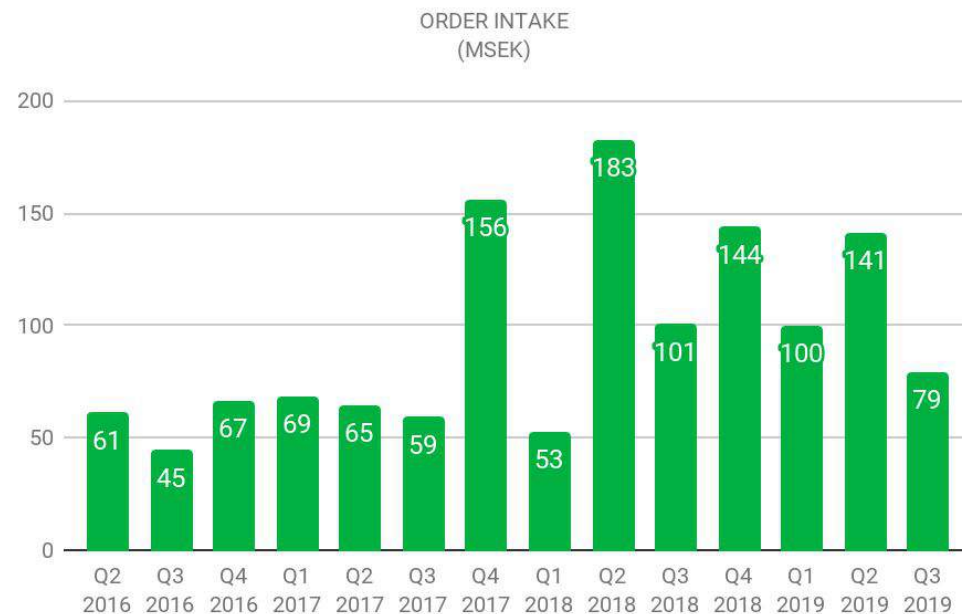
# Business update

- » Consistently higher order intakes
- » Business Segments and Service Offering
- » TRaaS Order Intake amounts to 49%
- » TraaS Sales YTD +15%
- » Innovative growth creates long-term value
- » Oklahoma spin-offs
- » Market entry in Latin America











# Consistently higher order intakes

- Q3 Order intake 79 million (101), minus 22 percent
- Order intake first three quarters 321 million (336), minus 4 percent
- 12 months order intake amounts to 465 million (493), minus 6 percent
- Consistently higher order intakes in 2018 and 2019



# Business Segments and Service Offering

SYSTEM SALES		MANAGED SERVICES			
					
<b>One-off</b>	<b>TRaaS</b>	<b>TRaaS</b>	<b>TRaaS</b>	<b>TRaaS</b>	<b>TRaaS</b>
Project Sales & Customer Specific Development	Service and Maintenance	Automated Traffic Enforcement (Speed & Red-Light)	Uninsured Vehicle Enforcement Diversion (UVED)	Software (PULS & Xilium)	 

# TRaaS Order Intake amounts to 49 %

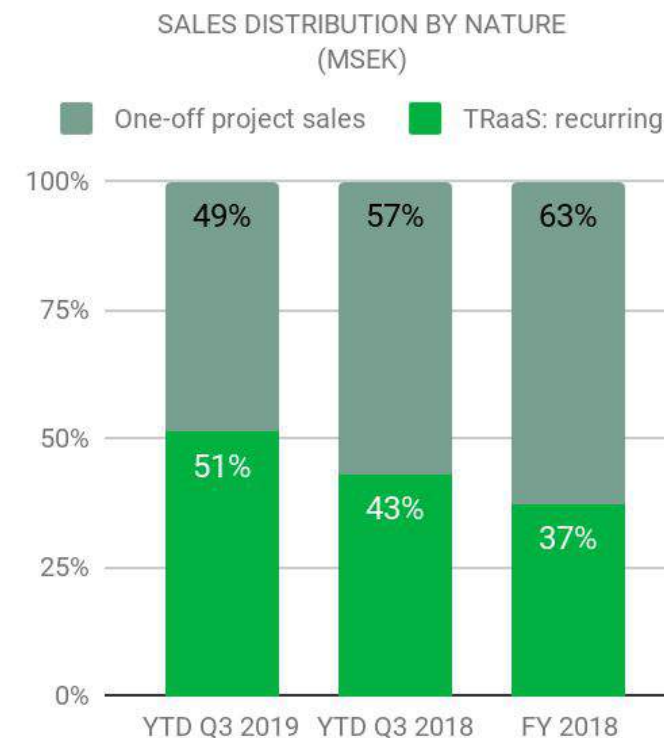
MSEK	YTD Q3 2019	Order intake Announced	Smaller order intake
System Sales	162	89	73
TRaaS: Service & Maintenance	29	12	17
TRaaS: Licenses	6	6	0
TRaaS: Managed Services	124	104	20
<b>Total Order Intake</b>	<b>321</b>	<b>211</b>	<b>110</b>
Of which TRaaS:	159		
<b>TRaaS % of total Order Intake:</b>	<b>49%</b>		

# TaaS Sales YTD +15%



Business Update

MSEK	July - Sep	July - Sep	Jan - Sep	Jan - Sep
	2019	2018	2019	2018
System Sales	30	53	121	145
TRaaS: Service & Maintenance	18	16	52	51
TRaaS: Licenses	0	4	3	7
TRaaS: Managed Services	25	23	73	53
<b>Total Sales</b>	<b>73</b>	<b>96</b>	<b>248</b>	<b>256</b>
Of which TRaaS:	43	43	127	110
<b>TRaaS % of total Sales:</b>	<b>59%</b>	<b>45%</b>	<b>51%</b>	<b>43%</b>

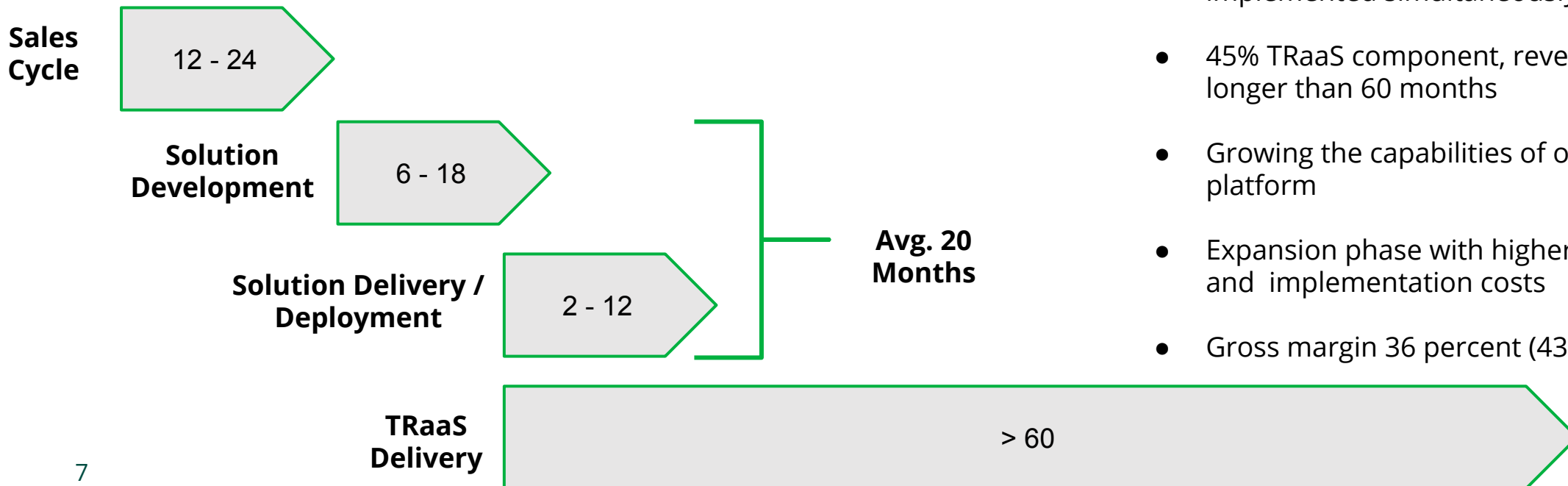


# Innovative growth creates long-term value



Business Update

## Timeline Complex New Solutions (Months)



- Project implementation of complex new solutions takes on average 20 months
- Three complex new solutions being implemented simultaneously
- 45% TRaaS component, revenue typically longer than 60 months
- Growing the capabilities of our Software platform
- Expansion phase with higher sales costs and implementation costs
- Gross margin 36 percent (43)

# Oklahoma spin-offs



Business Update

*"In less than a year, the UVED Program has significantly reduced the number of uninsured vehicles on Oklahoma roadways and all Oklahomans should feel safer for it."*

*Jason Hicks, President of the Oklahoma District Attorneys Association*

- Successful first implementation-year
- 10,000 Uninsured Drivers joined the UVED program
- Now in second year of five one-year contracts
- Sales presentations conducted in various states
- First mover advantage

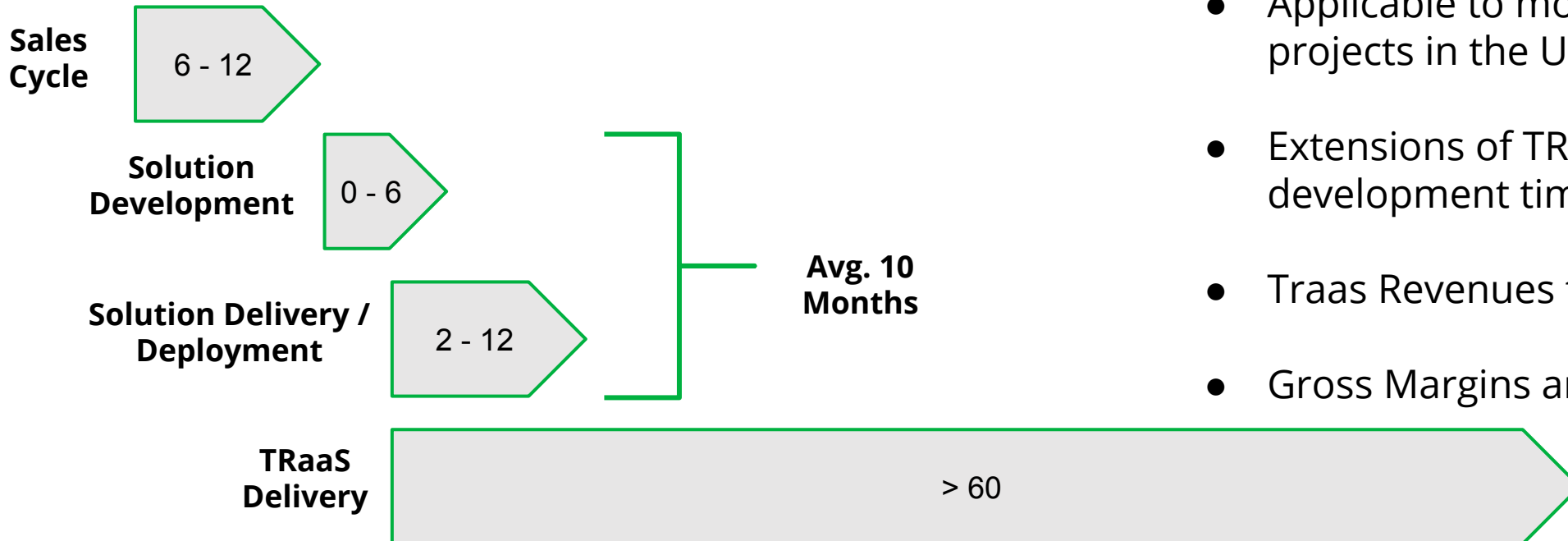


# Repeat Solutions with shorter timelines



Business Update

## Timeline 'Repeat Solutions' (Months)

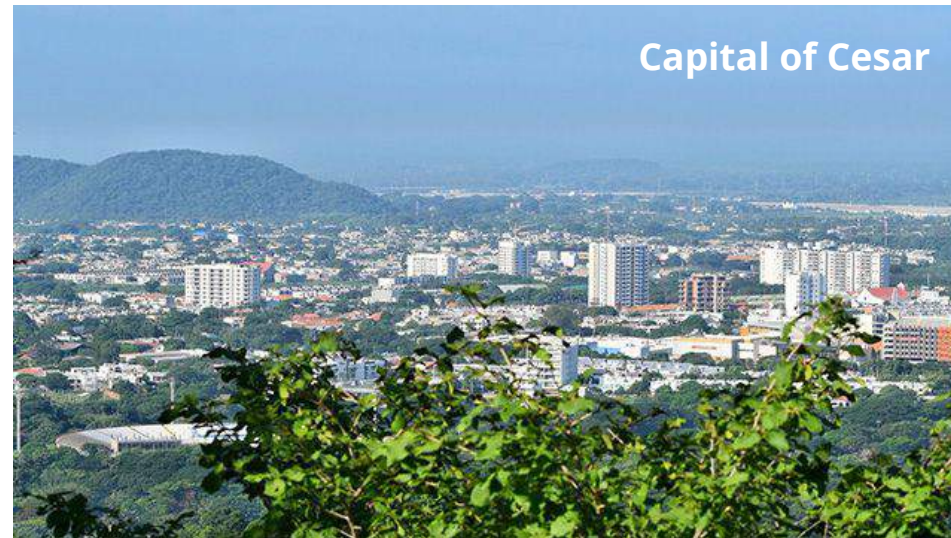


- Project implementation of repeat solutions takes on average 10 months
- Applicable to most Speed and Redlight projects in the USA
- Extensions of TRaaS contracts need no development time at all
- Traas Revenues typically >60 months
- Gross Margins are typically higher

# Market entry in Latin America



- Two departments in Colombia with a total combined contract value of 19 million
- 30% TRaaS component



- Result of our recent sales efforts in the Region
- Multiple sales leads in the Region

# Financial Update

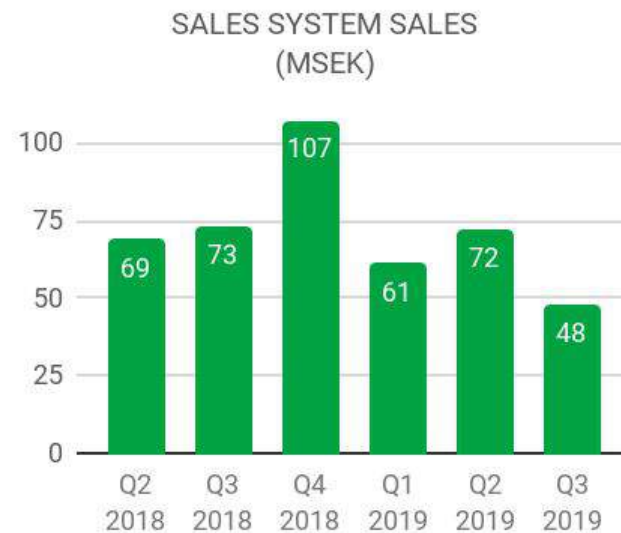


- » Analysis of the segments performance
- » Consolidated income statement
- » Available cash and financial position



# Segment reporting - System Sales

- Q3 Order intake 25 percent lower compared to last year
- System Sales at 48 MSEK (73) due to two large projects in implementation phase
- Q3 EBITDA negative 2.2 million



# Segment reporting - Managed Services

- 12M Rolling Order intake at 176 (192), minus 8 percent
- Three new contracts after the period bring 12M rolling Q4 to at least 195 MSEK
- Sales in the quarter continues to be strong
- EBITDA at break-even level

ORDER INTAKE MANAGED SERVICES 12M ROLLING



Up until 27 Nov 2019

SALES MANAGED SERVICES (MSEK)



EBITDA MANAGED SERVICES (MSEK)

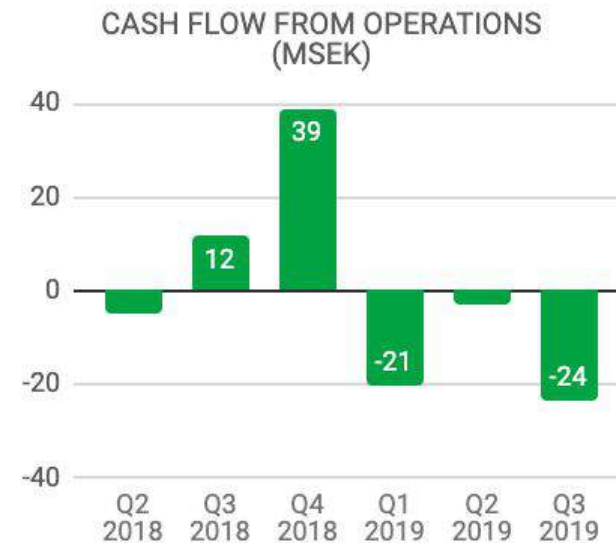
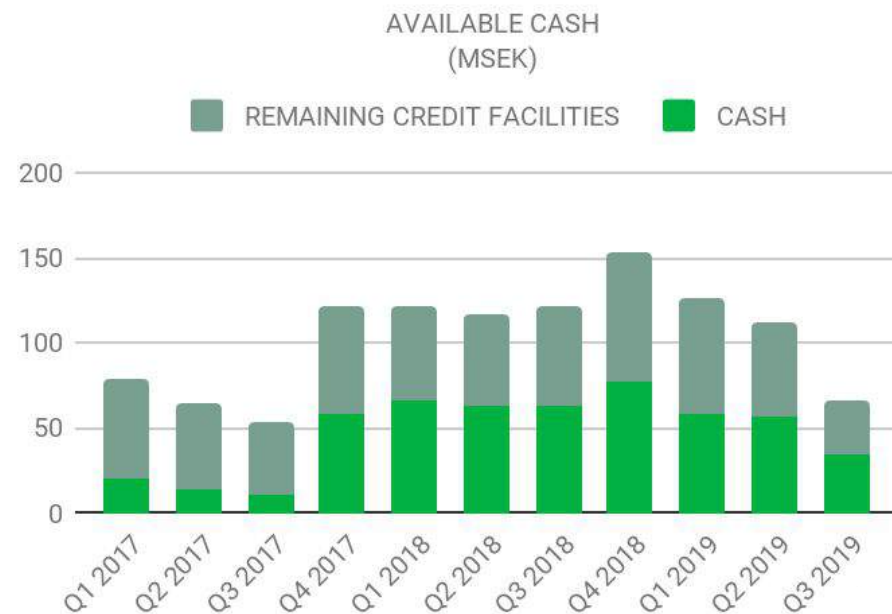


# Consolidated income statement

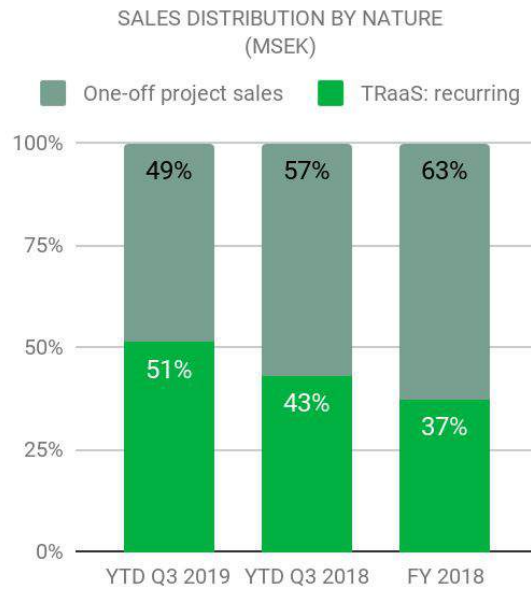
	July - Sep	July - Sep	Jan - Sep	Jan - Sep
TSEK	2019	2018	2019	2018
<b>Net sales</b>	73,028	95,688	248,331	255,926
Cost of goods sold	-48,272	-49,006	-157,904	-145,288
<b>Gross profit</b>	<b>24,756</b>	<b>46,682</b>	<b>90,427</b>	<b>110,638</b>
Selling expenses	-21,122	-17,563	-60,940	-55,190
Administrative expenses	-10,845	-9,419	-31,892	-27,193
Development expenses	-10,769	-10,739	-36,261	-34,030
Other operating expenses/income	135	-175	392	-927
<b>Operating profit</b>	<b>-17,845</b>	<b>8,786</b>	<b>-38,274</b>	<b>-6,702</b>
Net financial items	-63	-1,843	-2,123	-2,334
<b>Profit before tax</b>	<b>-17,908</b>	<b>6,943</b>	<b>-40,397</b>	<b>-9,036</b>
Tax	2,238	-2,854	6,885	-1,247
<b>Profit for the period</b>	<b>-15,670</b>	<b>4,089</b>	<b>-33,512</b>	<b>-10,283</b>

# Cash and available cash

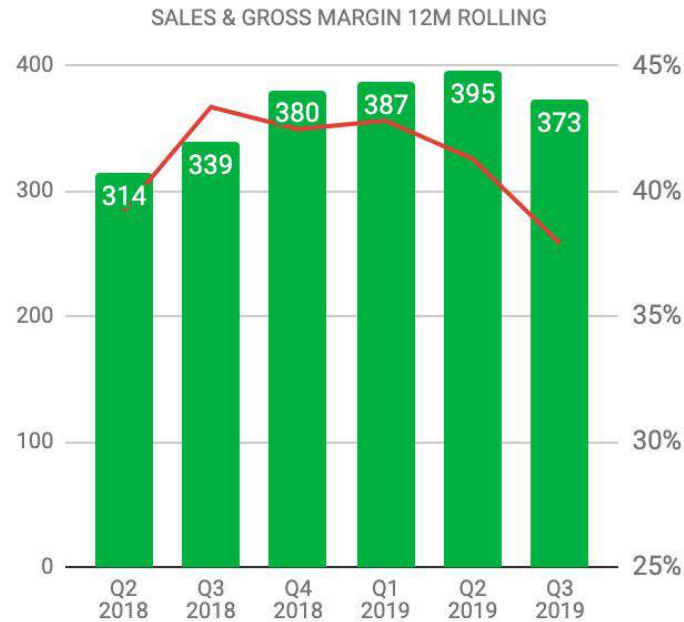
- Lower available cash at 66 MSEK
- Build-up working capital position (44) and investments in Fixed Assets in Operations (20)
- Repayment on Vendor Loan Installment 10.5 MSEK
- Over the last six quarters our cash flow from operations has been break-even



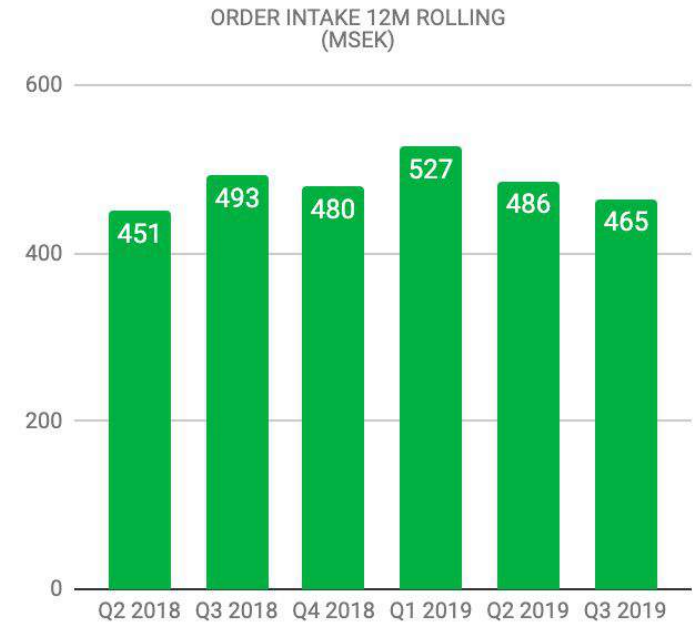
# Summary and Outlook



TRaaS Sales  
+15%



Investments in  
growth



Consistently higher  
order intakes



# Q&A



Simon Mulder, CFO

Ivo Mönnink, CEO

**Send us questions at [investor@sensysgatso.com](mailto:investor@sensysgatso.com)**

