



Sensys Gatso Group AB

Q1 2019 Market Presentation

Webcast

April 25, 2019



Agenda

- » Business Update Q1
- » Financial Update Q1
- » Q&A

Simon Mulder,
CFO

Ivo Mönnink,
CEO

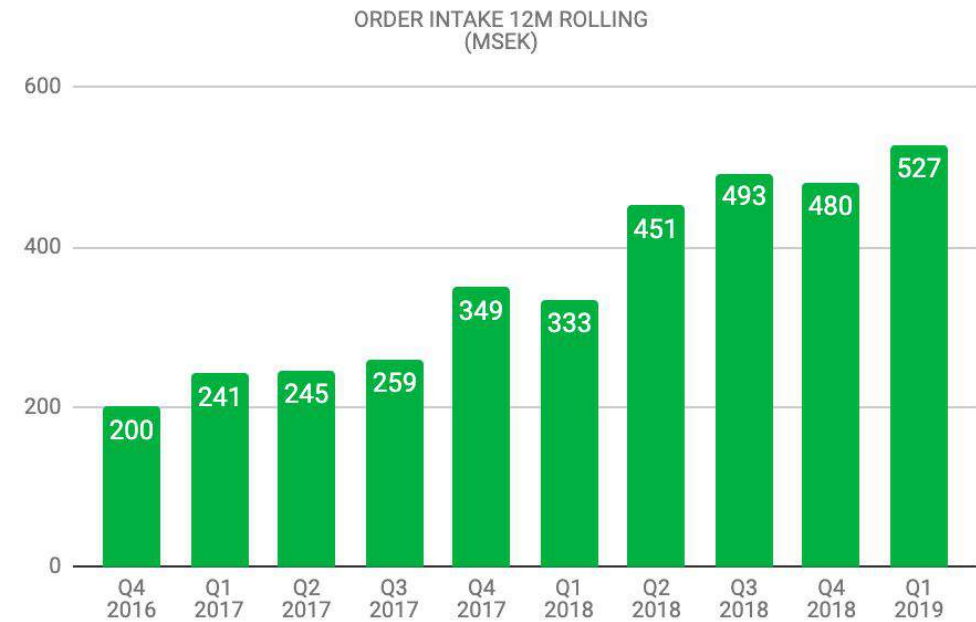
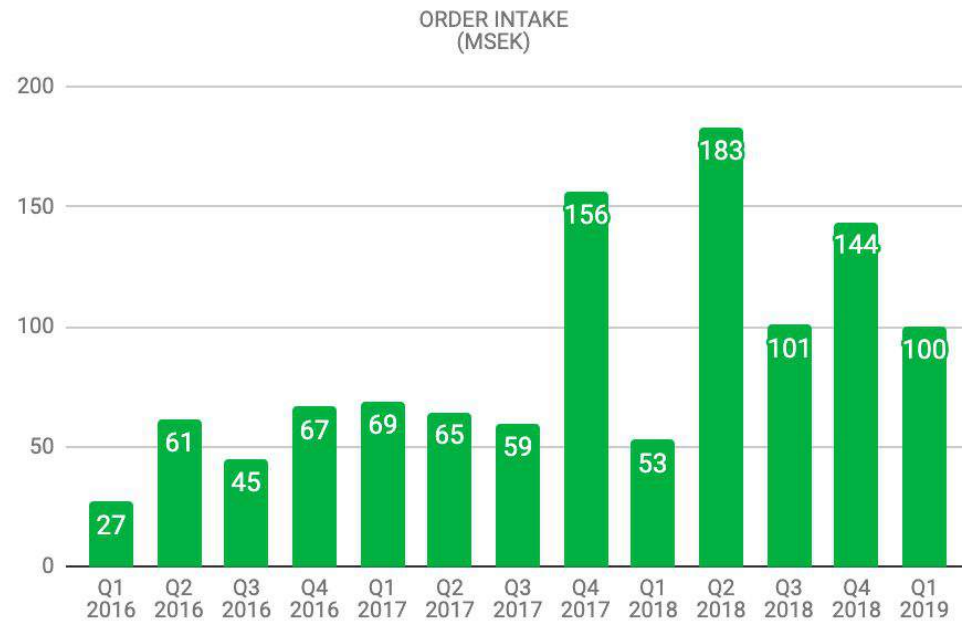
Business update

- » Good order intake for the quarter
- » Traffic Enforcement as a Service
- » Delayed deliveries due to fire at supplier
- » Oklahoma learning curve



Good Order Intake

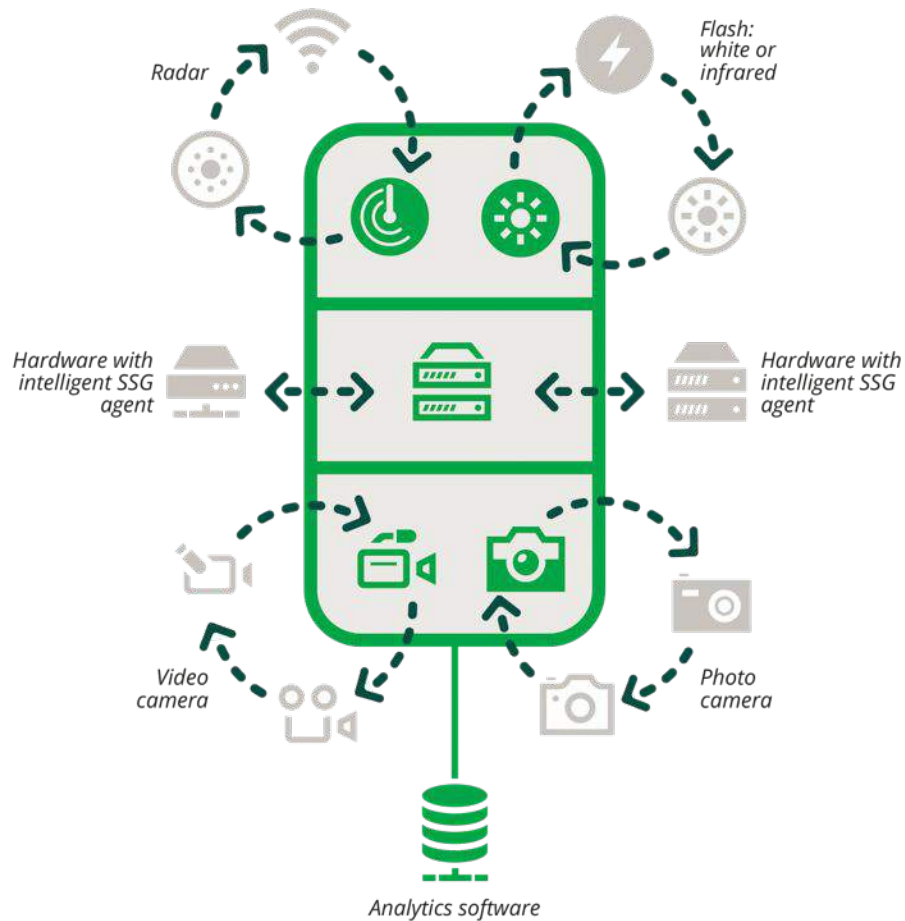
- Order intake SEK 100 million (53), + 89 percent in the quarter
- 12 months order intake amounts to 527 million



Traffic Enforcement as a Service

Introduction of **FLUX** in December 2018

- Fulfilling changes in customer needs
- Future proof technology
- Single, flexible and scalable platform
- Replaces S and T series over time



Traffic Enforcement as a Service

FLUX



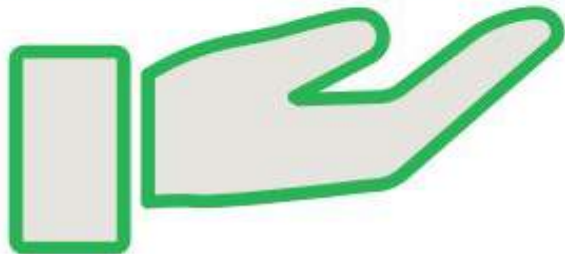
Puls.



XILIUM
by GATSO



- Connecting FLUX, Puls and Xilium to provide flexible service solutions to our customers
- Strengthens our position to increase our recurring revenue potential going forward
- Separate reporting of TRaaS revenue

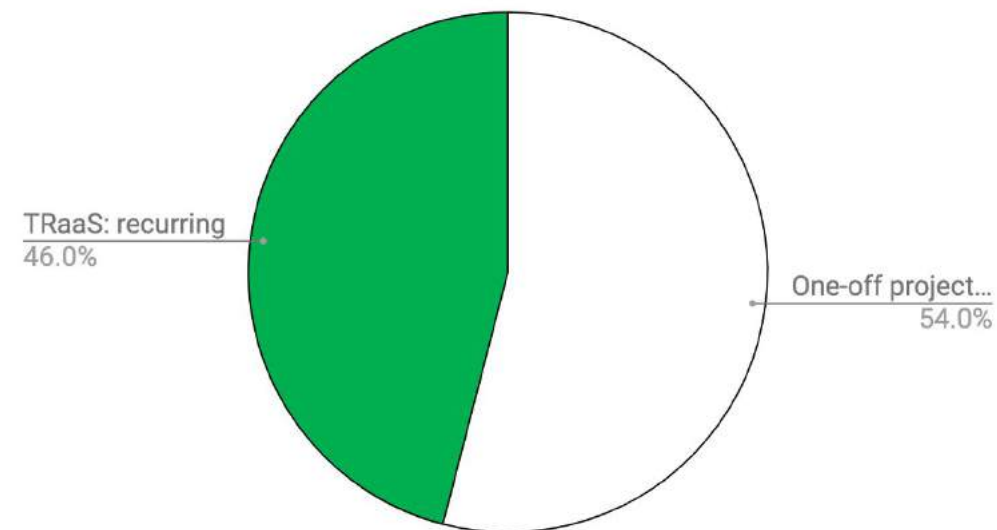


TRaaS Growth & Distribution

	Jan - Mar	Jan - Mar	
TSEK	2019	2018	%
System sales	42,381	43,621	-2.8%
TRaaS: Service & Maintenance	17,870	16,411	8.9%
TRaaS: Licenses	1,067	1,007	6.0%
TRaaS: Managed Services	17,122	10,642	60.9%
Total Sales	78,440	71,681	9.4%

TRaaS revenue is up by 28.5%

Distribution by nature Q1 2019



Delayed deliveries due to fire at supplier



Business Update

- Fire at key supplier Prodrive on December 1st 2018
- Key driver for lower System Sales in the quarter
- Intense cooperation between Sensys Gatso and Prodrive to minimize impact
- Prodrive resumed full production in April
- Change from 2 to 3 shifts to increase production capacity
- Impact for Sensys Gatso;
 - Some deliveries postponed from Q1 to Q2
 - No orders lost
 - No impact expected on full year planned deliveries

Oklahoma learning curve

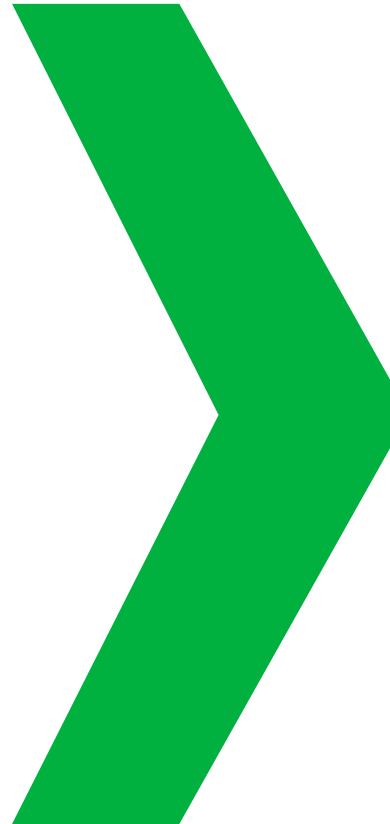


Business Update

- Managed Services sales in the quarter of SEK 17 million is 55% higher than last years SEK 11 million
- Slow implementation of new business vertical of enforcement of uninsured cars in the state of Oklahoma;
 - Program is entirely new for the USA and involves multiple unrelated 3rd parties
 - Alignment of interests of all stakeholders and related software development
- Full year communicated revenue of SEK 17 milion remains best expectation

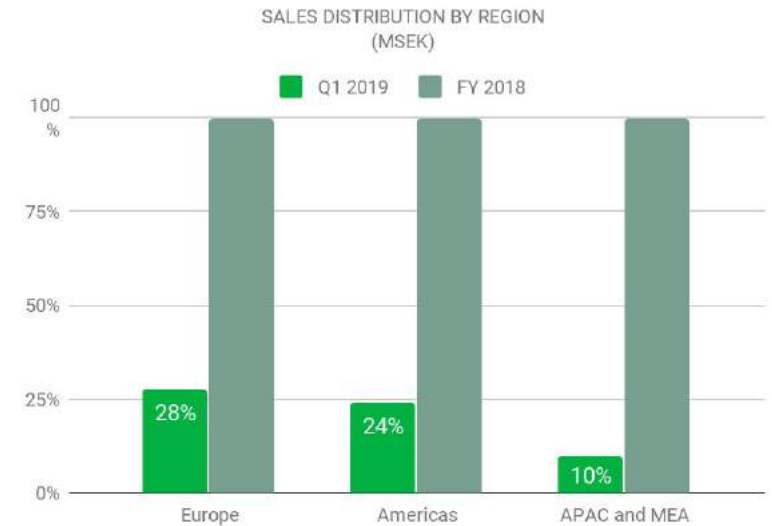
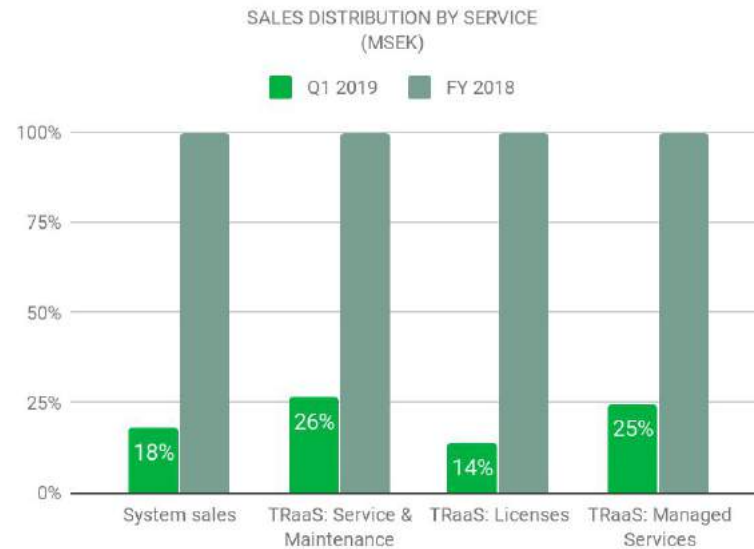
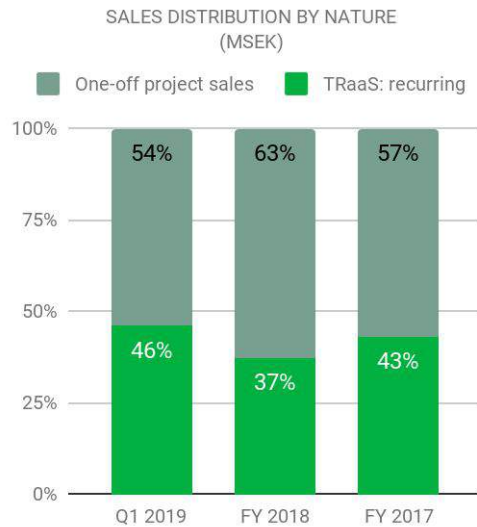
Financial Update

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



Sales analysis

- TRaaS: Recurring sales level at 46% for the quarter
- System sales at 18% of FY 2018 revenue mainly due to delivery challenges
- Sales from Europe at 28% of FY 2018, driven by Repairs and Maintenance and small repeat orders.



Segment reporting - System Sales

- Good order intake in Q1 sign of trust of our customers
- Lower anticipated sales in the quarter, in line with Q1 2018
- EBITDA at break-even level

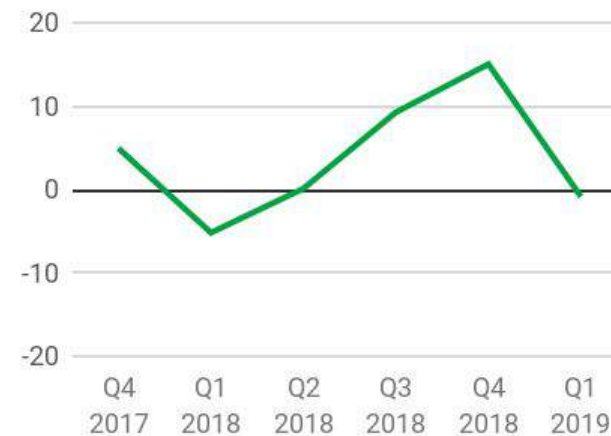
ORDER INTAKE SYSTEM SALES EXCL
PROCUREMENT AWARDS (MSEK)



SALES SYSTEM SALES
(MSEK)

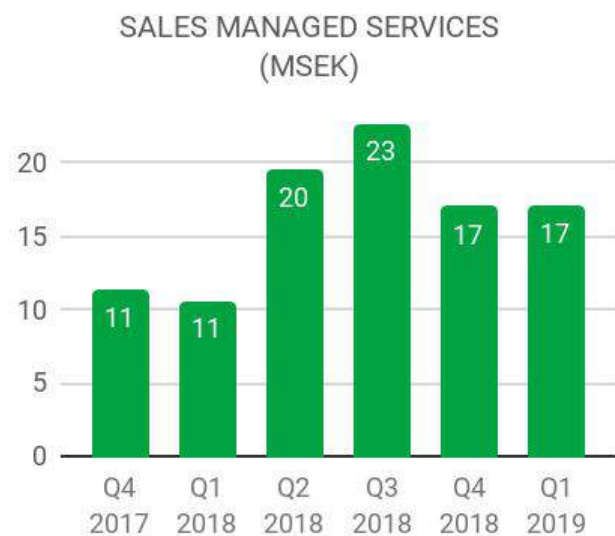
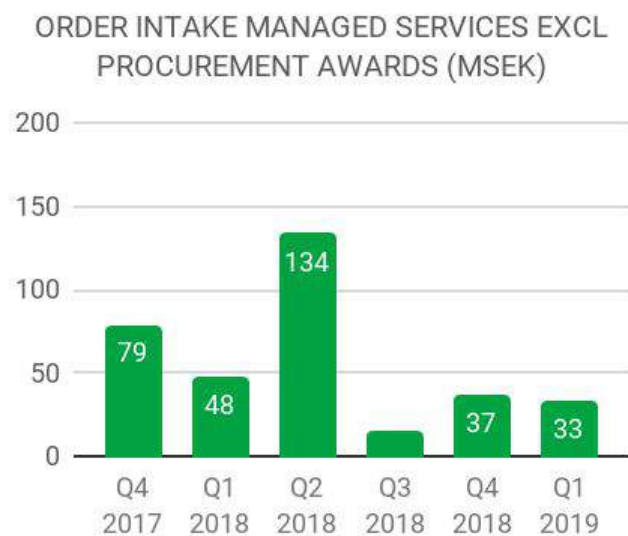


EBITDA SYSTEM SALES
(MSEK)



Segment reporting - Managed Services

- Order intake for the quarter driven by contract extensions
- Sales in the quarter approximately 55% higher than Q1 2018
- Sales at EBITDA break-even level



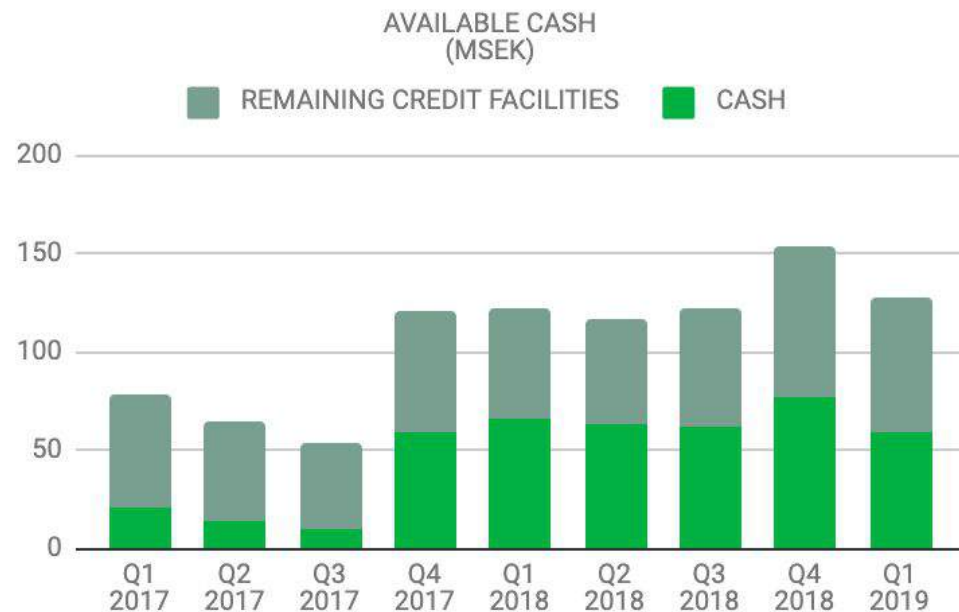
Consolidated income statement

	Jan - Mar	Jan - Mar	YTD	Full year
TSEK	2019	2018	2019	2018
Net sales	78,440	71,681	78,440	380,349
Cost of goods sold	-49,272	-46,695	-49,272	-218,834
Gross profit	29,168	24,986	29,168	161,515
Selling expenses	-18,933	-18,467	-18,933	-75,098
Administrative expenses	-9,331	-9,682	-9,331	-38,581
Development expenses	-13,930	-11,446	-13,930	-46,176
Other operating expenses/income	848	-265	848	-1,082
Operating profit	-12,178	-14,874	-12,178	578
Net financial items	-465	-3,182	-465	-1,675
Profit before tax	-12,643	-18,056	-12,643	-1,097
Tax	3,053	4,982	3,053	-1,375
Profit for the period	-9,590	-13,074	-9,590	-2,472

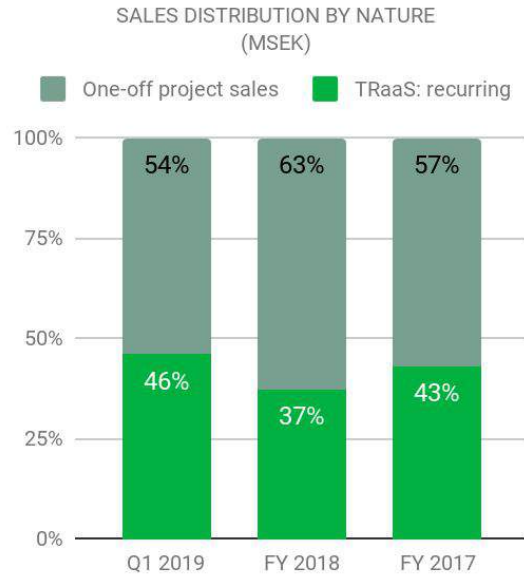
- » Net sales increased 9.4% (1.3%)
- » Increase in sales due to growth Managed Services 17 MSEK (11)
- » Gross Margin at 37% (35%)
- » Expenses remain stable at 41 MSEK (40)
- » Operating profit (EBIT) -9.5 MSEK (- 13.1)

Cash and financial position

- » Available cash lower due to build-up of work in progress
- » Equity/Assets ratio, impacted by IFRS16, remains good



Summary and Outlook



46% TRaaS Revenue



Delayed deliveries



Good order intake

Q&A



Ivo Mönnink, CEO



Simon Mulder, CFO

Sensys Gatso - making traffic safer®

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