

# Sensys Gatso Group AB

Q3 2020 Market Presentation

Audiocast

November 26, 2020

10:00 CET

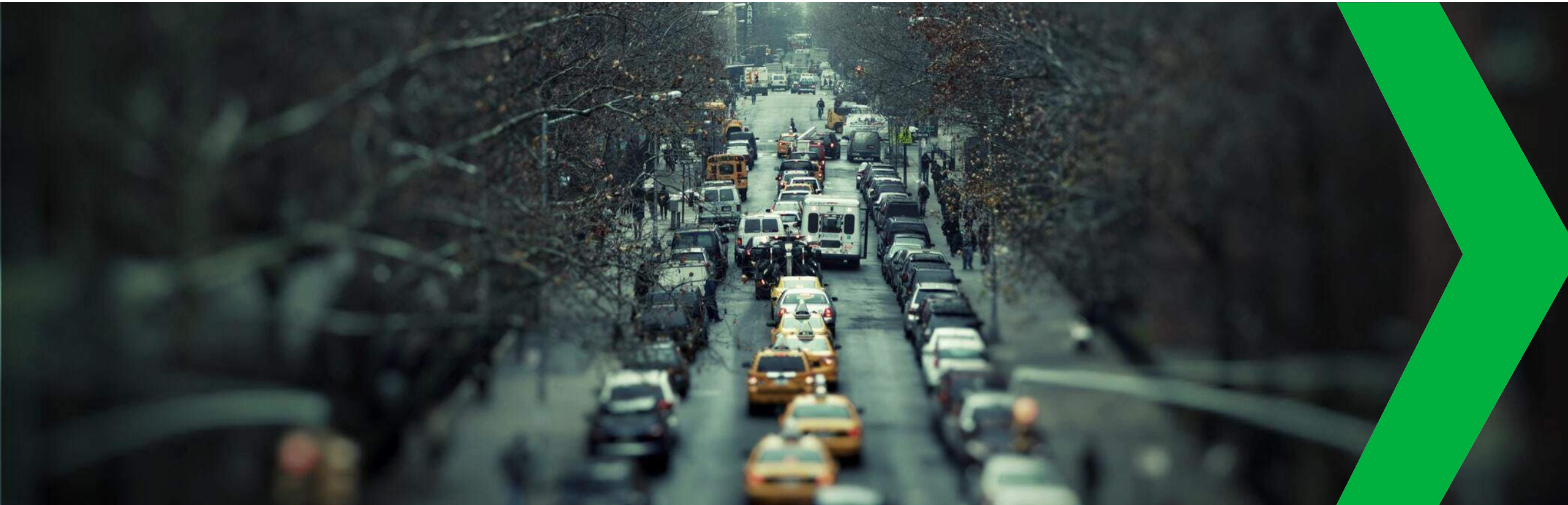


AGENDA

# Q3 2020 MARKET PRESENTATION

Sensys  
Gatso  
Group

- » Business update
- » Financial update
- » Summary and Outlook

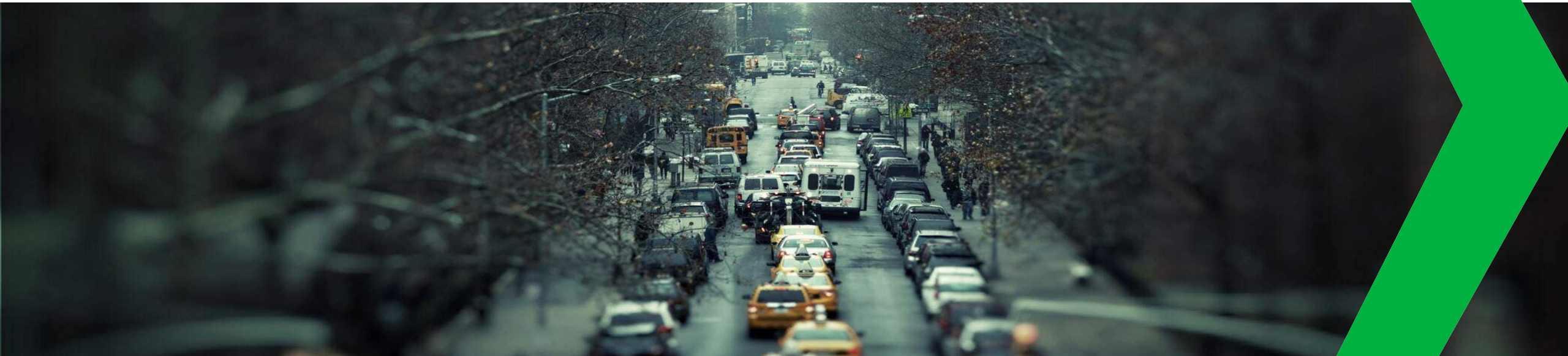


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# BUSINESS UPDATE

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Gatso  
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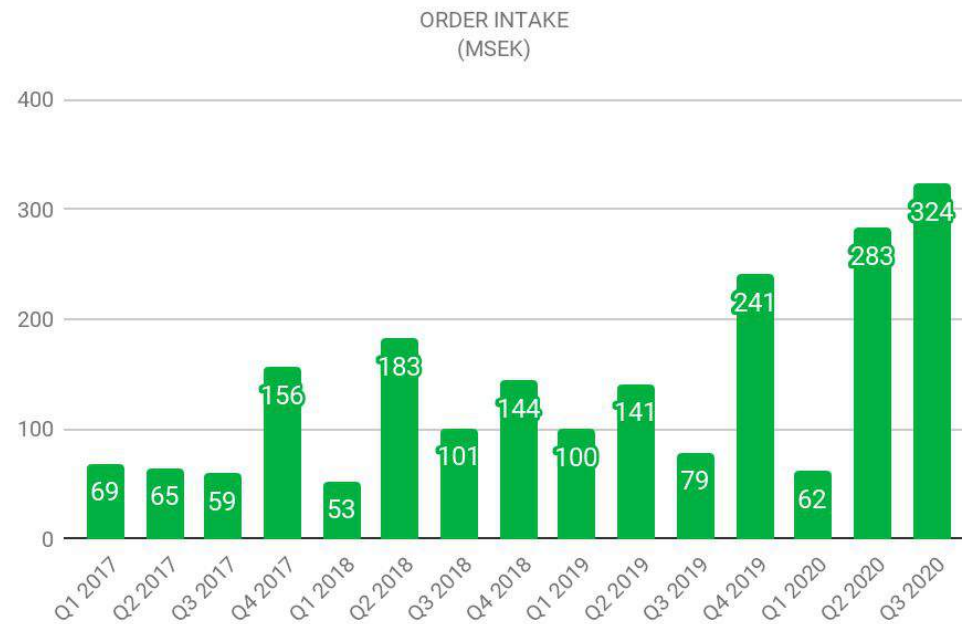
- » Breaking through MSEK 900 order intake level
- » Capabilities and proven technology
- » Sales up by 80% and TRaaS business continues to grow
- » School zone speed enforcement
- » Costa Rica deployment shifted
- » EBIT up by MSEK 31
- » Directed share issue oversubscribed



# Breaking through SEK 900 million order intake level



- Q3 record order intake MSEK 324 (79), including MSEK 275 Saudi Arabia in-vehicle contract
- Year to date record order intake of MSEK 640 (321)
- 12-months rolling Order intake at highest point in history at MSEK 909



# Capabilities and proven technology

Region/Country/State Type of Contract	Solution offering	Direct Sales/ through partner	Deal value	Of which TRaaS	Why did we win
<b>APAC - Australia 2019/12</b> <ul style="list-style-type: none"> <li>State wide</li> <li>Single Customer</li> <li>In-vehicle solution</li> </ul>	<ul style="list-style-type: none"> <li>Mobile speed enforcement</li> <li>Service, Maintenance and calibrations [SLA]</li> </ul>	Direct	<b>167</b> million	60 million	<ul style="list-style-type: none"> <li>→ Innovation</li> <li>→ Tech know-how</li> <li>→ Reliability history</li> <li>→ Relationship</li> </ul>
<b>LATAM - Costa Rica 2020/5</b> <ul style="list-style-type: none"> <li>Country wide</li> <li>Roadside</li> </ul>	<ul style="list-style-type: none"> <li>Fixed speed, redlight &amp; Low emission zones</li> <li>Service, Maintenance and calibrations [SLA]</li> <li>Back office software</li> </ul>	Direct	<b>192</b> million	60 million	<ul style="list-style-type: none"> <li>→ Sales efforts</li> <li>→ Brand heritage</li> <li>→ Global footprint</li> <li>→ Proven technology</li> </ul>
<b>EUROPE - Netherlands 2020/6</b> <ul style="list-style-type: none"> <li>Extension</li> <li>Section control, 4 years</li> </ul>	<ul style="list-style-type: none"> <li>Average speed enforcement</li> <li>Service, Maintenance and calibrations [SLA]</li> </ul>	Direct	8 million	8 million	<ul style="list-style-type: none"> <li>→ Service delivery performance (now 12 years)</li> </ul>
<b>USA - Ohio, Parma 2020/6</b> <ul style="list-style-type: none"> <li>New</li> <li>School Zone speed enforcement, 5 years</li> </ul>	<ul style="list-style-type: none"> <li>Fixed speed, Safety zones</li> <li>Back office software</li> <li>Processing</li> </ul>	Direct	21 million	21 million	<ul style="list-style-type: none"> <li>→ Sales efforts</li> <li>→ Track record on service excellence</li> </ul>
<b>MENA - Saudi Arabia 2020/8</b> <ul style="list-style-type: none"> <li>Country wide</li> <li>In-Vehicle solution</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle in motion enforcement</li> <li><i>SLA expected</i></li> </ul>	Direct	<b>275</b> million	yet to come in	<ul style="list-style-type: none"> <li>→ Performance vs competitor</li> <li>→ Brand</li> <li>→ Proven technology</li> </ul>

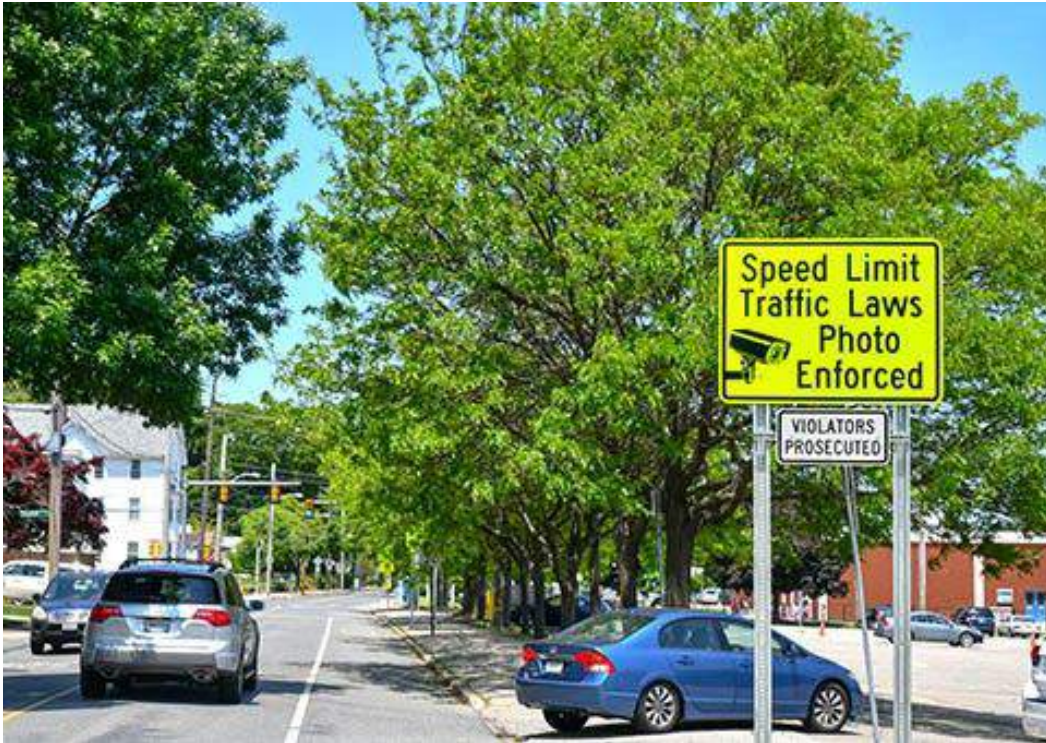
# Sales up by 80%, TRaaS continues to grow



TSEK	Q3 2020	Q3 2019	YTD Q3 2020	YTD Q3 2019	FY 2019
System Sales	80	30	162	121	229
TRaaS: Service & Maintenance	24	18	67	58	79
TRaaS: Licenses	1	0	3	3	3
TRaaS: Managed Services	27	25	89	67	95
<b>Total Sales</b>	<b>132</b>	<b>73</b>	<b>321</b>	<b>248</b>	<b>406</b>
Of which TRaaS:	51	43	158	127	177
TRaaS % of total Sales:	39%	59%	49%	51%	44%
<b>TRaaS Growth:</b>	<b>20%</b>		<b>25%</b>		

- Total Sales up 80%
- YTD Sales up 30%
- TRaaS sales up 20%
- School zone speed enforcement restarted

# School Zone speed enforcement



## School Zone Speed Enforcement TRaaS contracts

Date	MSEK	Period	City	State
2020-Q4	34	5	East Providence	Rhode Island
2020-Q2	21	5	Parma	Ohio
2020-Q1	28	5	St.Mary's	Georgia
2019-Q4	30	3	Buffalo	New York
2019-Q2	44	5	Mount Rainier	Maryland
2018-Q4	32	5	Pawtucket	Rhode Island
	<b>189</b>	<b>4.7</b>	<b>6</b>	<b>5</b>

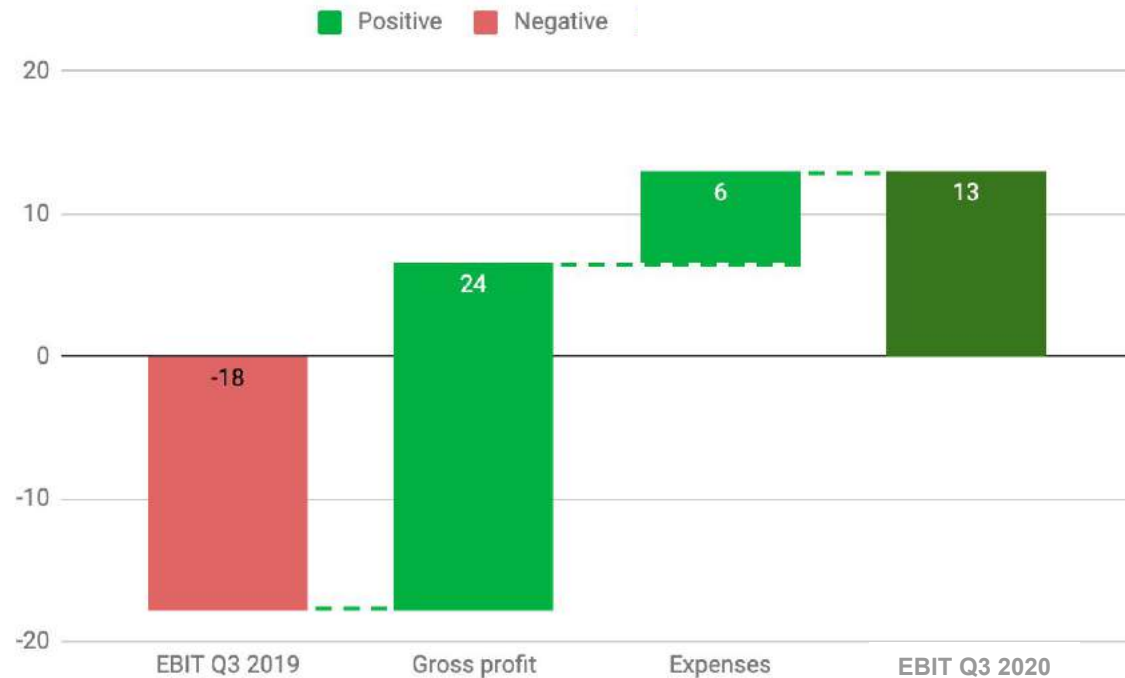
# Costa Rica deployment shifted



- 192 SEK million nation wide traffic enforcement contract from the Costa Rican government
- 2021 budget approval expected end of this year
- Deployment expected to start beginning of 2021



# EBITDA margin at 17% and EBIT up by SEK 31 million



- Gross Margin up to 37.4% (33.9%)
- Expenses MSEK 6 lower
- EBITDA MSEK 23
- EBITDA Margin 17%
- EBIT improved by MSEK 31 from MSEK -18 to MSEK 13 million

# Direct share issue oversubscribed



- Raised SEK 75 million @price 1.40 SEK per share from long-term investors
- First direct share issue - timing and cost efficiency
- Discount of 9.7 percent and a dilution of approximately 6 percent
- AGM decision in May 2020 mandate 10 percent

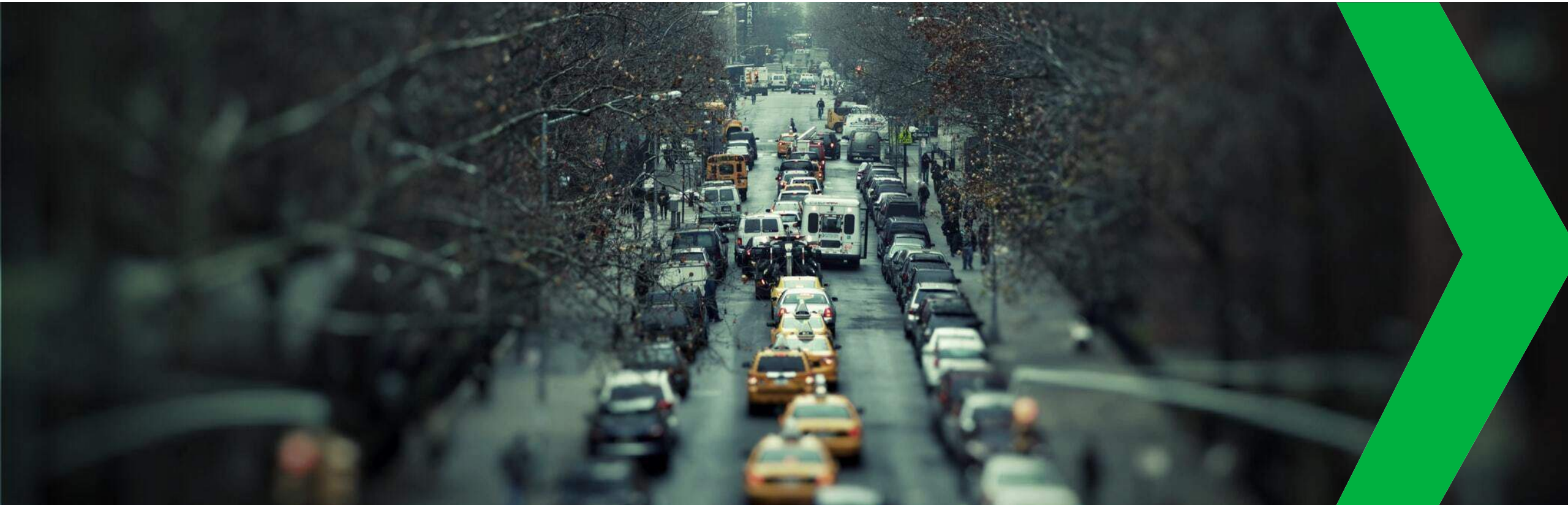
*“The net proceeds will be used to **support and accelerate the company’s global growth plan** which includes investments in expanding in **current and new market** to make traffic safer and cities more sustainable”*

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# FINANCIAL UPDATE

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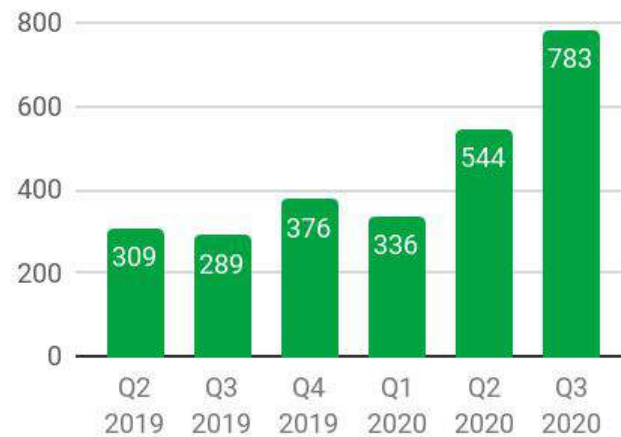
- » Analysis of the segments performance
- » Consolidated income statement
- » Available cash and financial position



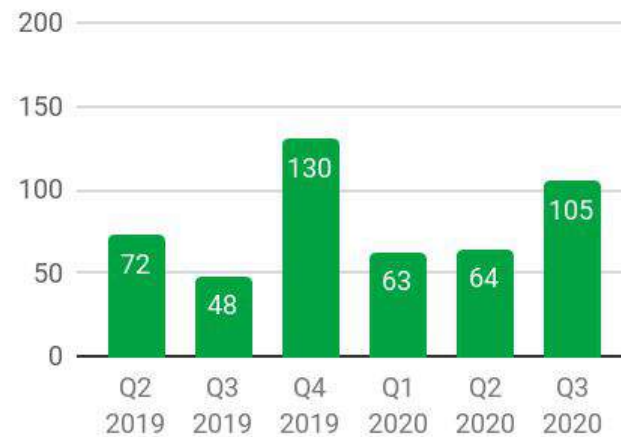
# Segment System Sales

- 12 months rolling Order Intake is at a record high of MSEK 783
- Strong sales performance at MSEK 105, 119% higher than Q3 2019
- EBITDA for Q3 at approx. MSEK 20 compared to MSEK -2 in Q3 2019

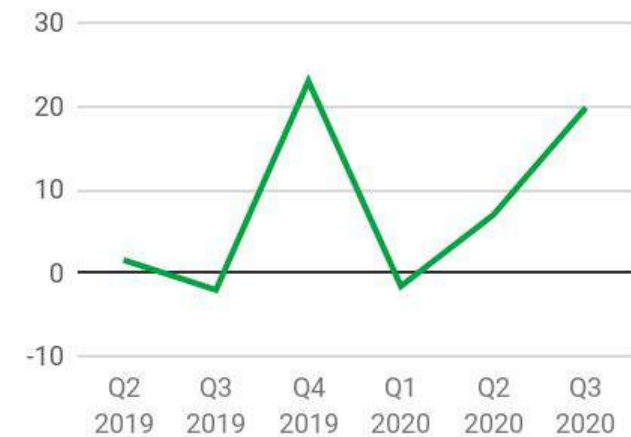
ORDER INTAKE SYSTEM SALES 12M ROLLING (MSEK)



SALES SYSTEM SALES (MSEK)



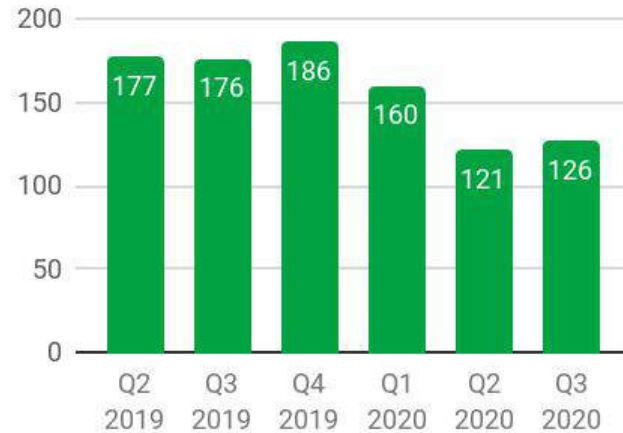
EBITDA SYSTEM SALES (MSEK)



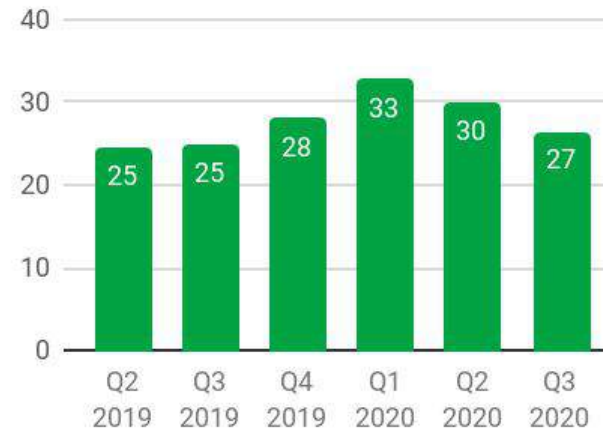
# Segment Managed Services

- 12 months rolling order intake MSEK 126 (176)
- Q3 sales 8% up from last year, YTD up 33%
- EBITDA in Q3 positive at MSEK 3 (-1)

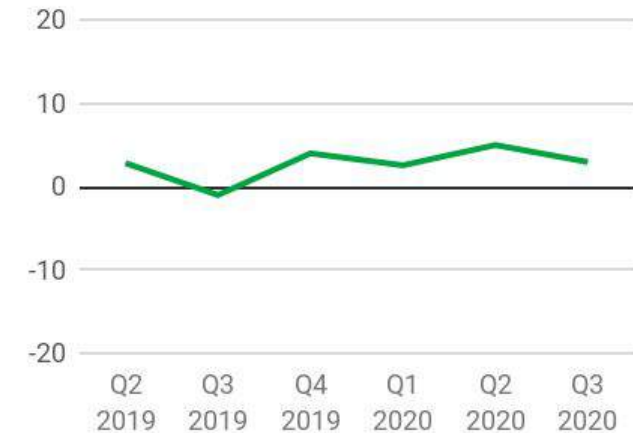
ORDER INTAKE MANAGED SERVICES 12M  
ROLLING (MSEK)



SALES MANAGED SERVICES  
(MSEK)



EBITDA MANAGED SERVICES  
(MSEK)



# TRaaS Sales

## Q3 2020

Segments / Revenue source	System Sales	Service and Maintenance	Licences	Managed Services	Segment totals	% TRaaS
Managed Services	0	0	0	27	27	100%
System Sales	80	24	1	0	105	24%
<b>Total Sales</b>	<b>80</b>	<b>24</b>	<b>1</b>	<b>27</b>	<b>132</b>	
	<b>TRaaS:</b>	<b>24</b>	<b>1</b>	<b>27</b>	<b>51</b>	<b>39%</b>

## YTD 2020

Segments / Revenue source	System Sales	Service and Maintenance	Licences	Managed Services	Segment totals	% TRaaS
Managed Services	0	0	0	89	89	100%
System Sales	162	67	3	0	232	30%
<b>Total Sales</b>	<b>162</b>	<b>67</b>	<b>3</b>	<b>89</b>	<b>321</b>	
	<b>TRaaS:</b>	<b>67</b>	<b>3</b>	<b>89</b>	<b>158</b>	<b>49%</b>

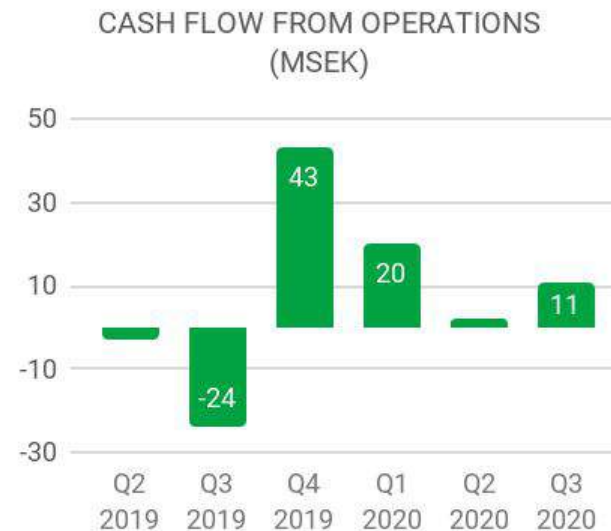
- 24% TRaaS revenue in Segment System Sales (30% YTD)
- 100% TRaaS revenue in Managed Services
- TRaaS revenue is recurring revenue relating to:
  - Managed Services
  - Repeat repairs, calibrations and maintenance services on existing global installed base
  - Licences on functionalities and software
- System Sales is one-off revenue relating to:
  - Project sales and Customer specific development
  - Repeat sales orders and spare parts

# Consolidated Income Statement

	July - Sep	July - Sep	Jan - Sep	Jan - Sep
TSEK	2020	2019	2020	2019
<b>Net sales</b>	131,595	73,028	320,681	248,331
Cost of goods sold	-82,399	-48,272	-207,806	-157,904
<b>Gross profit</b>	<b>49,196</b>	<b>24,756</b>	<b>112,875</b>	<b>90,427</b>
Selling expenses	-16,123	-21,122	-57,040	-60,940
Administrative expenses	-10,209	-10,845	-33,952	-31,892
Development expenses	-8,550	-10,769	-26,197	-36,261
Other operating expenses/income (1)	-1,386	135	2,594	395
<b>Operating profit</b>	<b>12,928</b>	<b>-17,845</b>	<b>-1,720</b>	<b>-38,271</b>
Net financial items	-4,120	-63	-7,461	-2,122
<b>Profit before tax</b>	<b>8,808</b>	<b>-17,908</b>	<b>-9,181</b>	<b>-40,393</b>
Tax	-2,892	2,238	2,407	6,885
<b>Profit for the period</b>	<b>5,916</b>	<b>-15,670</b>	<b>-6,774</b>	<b>-33,508</b>

# Available cash and financial position

- Directed share issue of MSEK 75
- Available cash at MSEK 169 (66)
- Q3 Operating cash flow at positive MSEK 11 (-24)
- Equity assets ratio at 66% (61%)

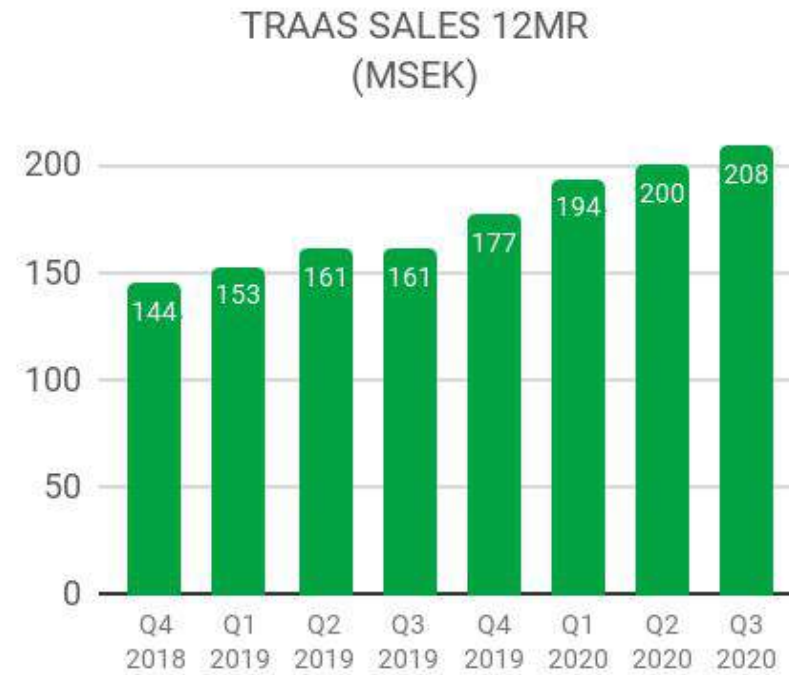




# Outlook



**Order intake breaking records**



**TRaaS growth continues**

**2025 Goals**

- Sales > SEK 1BN
- of which MSEK 600 TRaaS
- EBITDA > 15%

**On track with long term goals**

# Q&A



Ivo Mönnink, CEO



Simon Mulder, CFO

**Contact: [investor@sensysgatso.com](mailto:investor@sensysgatso.com)**



COMMITTED TEAM | **Management & Board of Directors with global track-record**



**Group Management**



**Ivo Mönnink, CEO**

CEO of Hitec Power Protection, Ferm powertools and Besin International (now Smurfit Kappa Hexacomb). Commercial roles with Nike and Unilever. 1,417,615 shares. 6,000,000 options



**Simon Mulder, CFO**

Registered Auditor, Senior Manager at BDO  
120,000 shares



**Joris Lampe CCO**

Background from Lucent Technologies, Nedap, Itron  
25,000 shares



**Timo Gatsonides CTO**

Founder and former CEO Gatso  
163,000,000\* shares indirect via family holding company

**Extended Management Team**



**Jörgen Andersson  
SG Sweden**



**Niki Gatsonides  
SG Netherlands**



**Enzo Dri  
SG Australia**



**Andrew Noble & Rich Kosina  
SG USA**



**Edmar van der Weijden  
SG Managed Services**

+ 150 years

Industry Experience & Knowledge

**Board of Directors**



**Claes Ödman  
Chairman**

COO and member of Group management of Swiss listed company Ascom.  
521,818 shares



**Pia Hofstedt**

CIO Quant AB.  
350,008 shares.



**Kerstin Sjöstrand**

Head of Customer Services at SEB's Division Life.  
164,162 shares.



**Jochem Garritsen**

Senior Business Manager at Nokia.  
110,142 shares.



**Christina Hallin**

Former Vice President Market China of Volvo Trucks. Board member of Alimak Group AB (publ).  
52,500 shares.



**Nishant Batra**

EVP and CTO of Veoneer Inc.

+ 125 years

International Business Experience & Knowledge

# Investment proposition

- 1 Leading global player in Traffic Enforcement Solutions**  
A global brand with the strongest heritage in the industry.
- 2 Relevant, growing and dynamic market**  
We operate in a market with high potential growth rates and increasing relevance and interest across the world.
- 3 Focused strategies to grow Service Business (TRaaS)**  
We aim for ambitious growth focused on the USA, entering new markets with our TRaaS recurring business model, flexible hardware & scalable software platforms and expand our service model in existing markets.
- 4 Sustained Financial and Operating Performance**  
We are driven by a flexible operating model, scalable software solutions and rigorous cost control.
- 5 Products and solutions for a safer and more sustainable planet**  
Our solutions contributes to reducing greenhouse gas emissions, reduced speed and ultimately improved road safety, in accordance with 2030 UN's sustainable development goals.