

Sensys Gatso Group AB

Q4 2021 Market Presentation

Audiocast

February 23, 2022

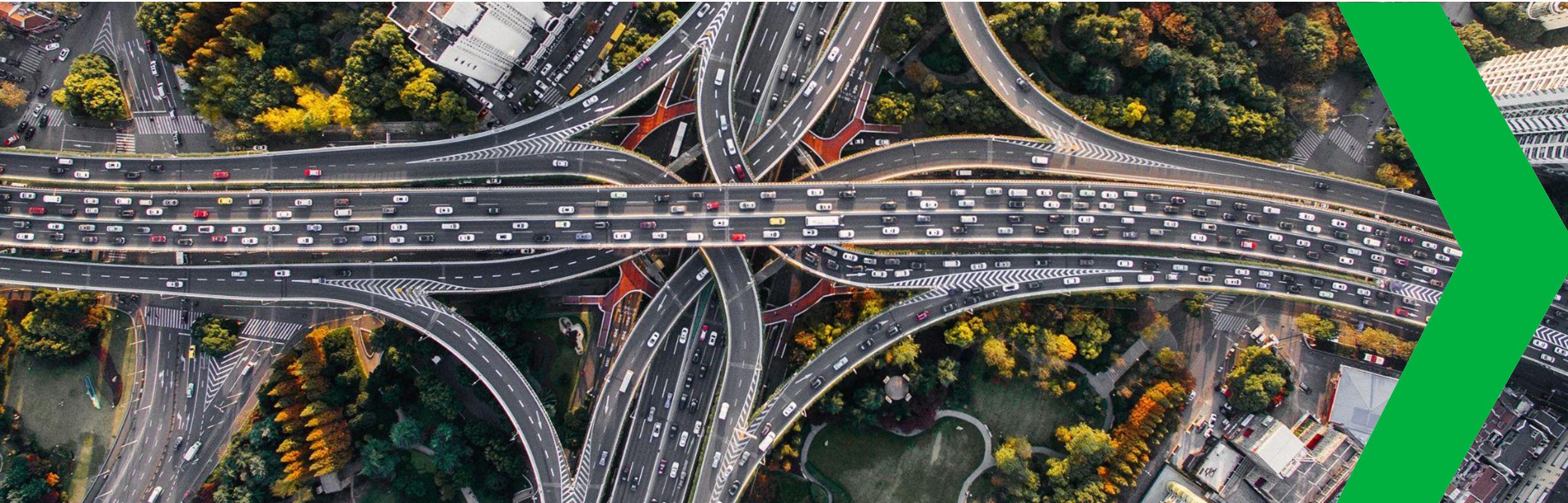
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AGENDA

Q4 2021 MARKET PRESENTATION

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

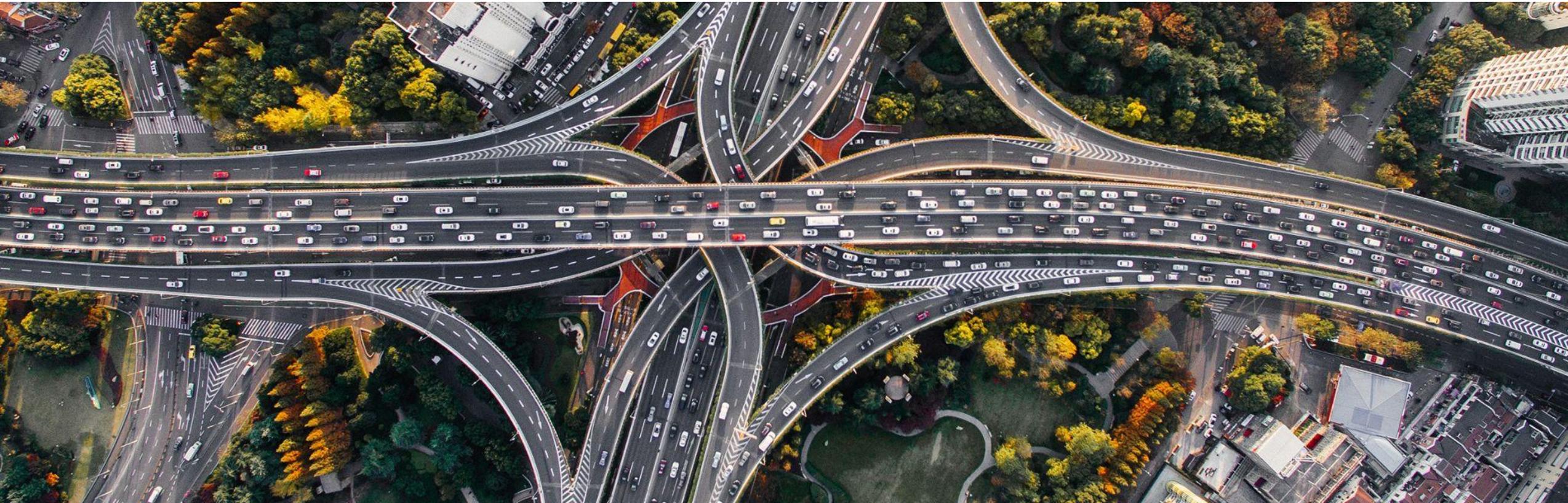


AGENDA

BUSINESS UPDATE

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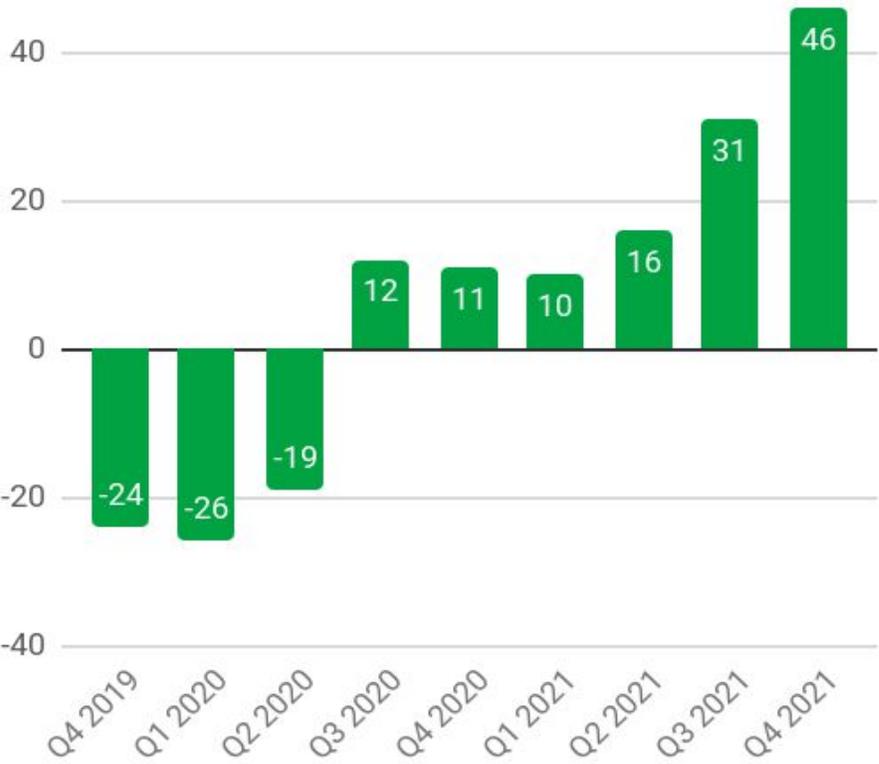
- » Continued strong profitable growth
- » Growth of TRaaS
- » Software and data enables further US Growth
- » Momentum in Latam
- » Order backlog of MSEK 840
- » Stable Supply chain costs expected throughout 2022



Continued strong profitable growth, 22% EBITDA margin



Operating Profit (EBIT) 12 Months Rolling
MSEK



- EBITDA MSEK 38, up 61%
- EBITDA margin 22% of net sales
- Gross margin 42%, up 5 percentage points
- Full Year EBITDA MSEK 84, up 41%
- EBIT MSEK 27 up 118%
- Full Year EBIT MSEK 46, four times higher than last year

Proven TRaaS business model pushes growth



- Total Net Sales MSEK 173, up 28%
- Saudi Contract in steady delivery mode;
 - 15% delivered in the quarter
 - YTD 55% delivered
 - Remaining MSEK 124 in 2022
- Full year Sales MSEK 507, up 11%
- TRaaS Sales MSEK 72, up 28%
- Full year TRaaS MSEK 248, up 14% and now 49% of Net Sales
- Three new TRaaS contracts added in USA plus three after the quarter
- School Zone speed enforcement programs restarted

Software and data enable further US Growth



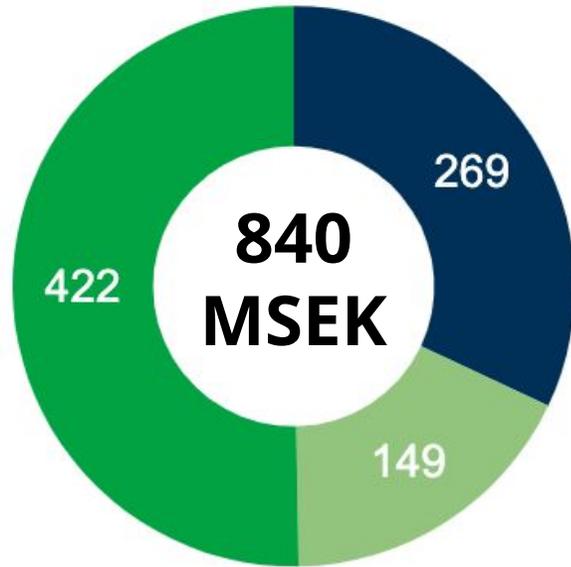
- 270 cameras across 12 states
- Generating 540 million data points in three years
- Data analytics help to data;
 - Optimize camera locations
 - Enrich information with other data sources
 - Generate predictive analyses for future clients
- USA Business Plan centered around proactive sales model
- Positive Automated Traffic Enforcement momentum in new states and cities

Momentum in LATAM



- Sensys Gatso Colombia established through Joint Venture Sensys Gatso and Gatso Capatest
- Full TRaaS business model, similar to USA
- Contract periods typically up to 25-30 years
- Two existing contracts added to joint venture with remaining contract period of 17 years
- Costa Rica contract not started due to budget constraints
- Deployment shifted to introduction with municipalities
- First contract from new market Ecuador

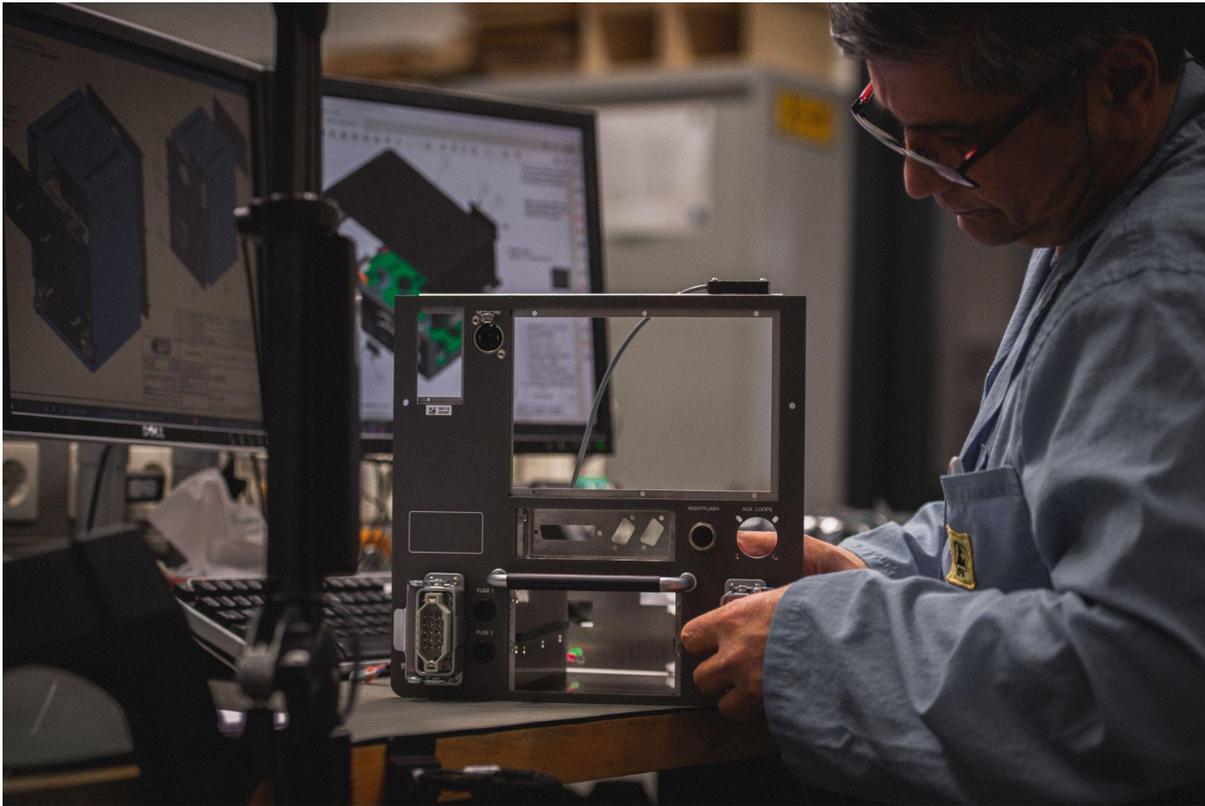
Solid Order Backlog of MSEK 840



● System Sales ● TRaaS: Service and Maintenance
● TRaaS: Managed Services

- MSEK 195 order intake, up 62%
- Full year order Intake MSEK 368 (788)
- Solid Q4 MSEK 840 Order Backlog;
 - 32% System Sales → 22/23 deliveries
 - 68% TRaaS → deliveries over remaining contract period

Stable Supply chain costs expected throughout 2022



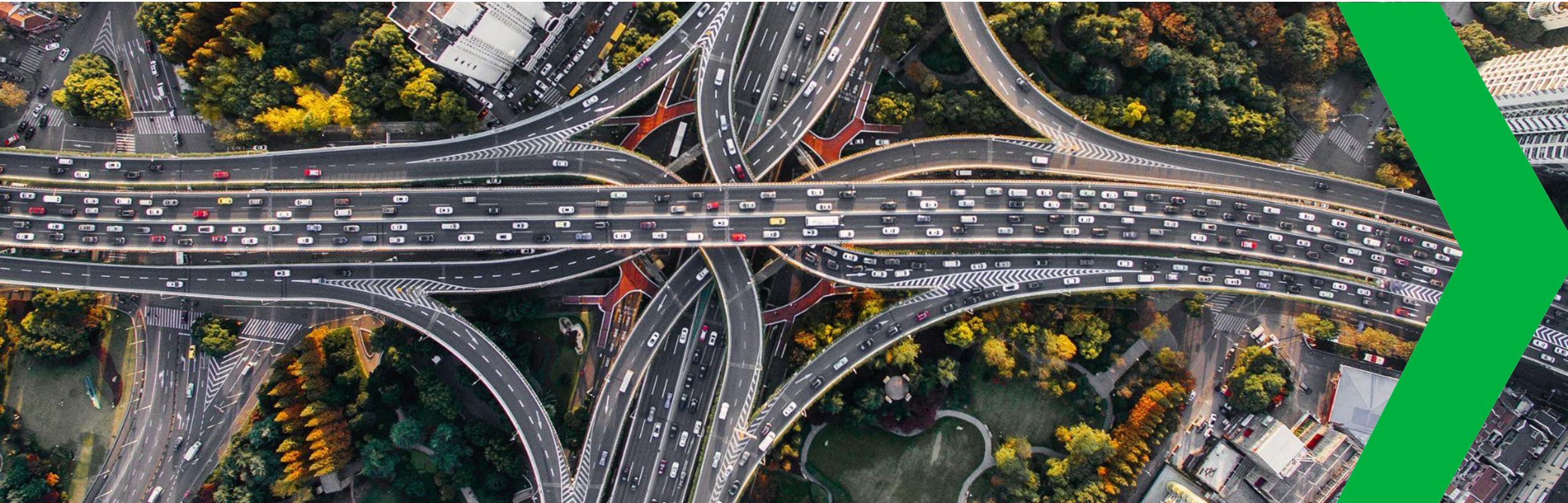
- Typically Long lead times for sales, delivery and operations
- Critical components secured for 2022 deliveries
- System Assembly in Europe
- Our expectations today for 2022;
 - No delivery issues
 - Supply chain costs to remain stable

AGENDA

FINANCIAL UPDATE

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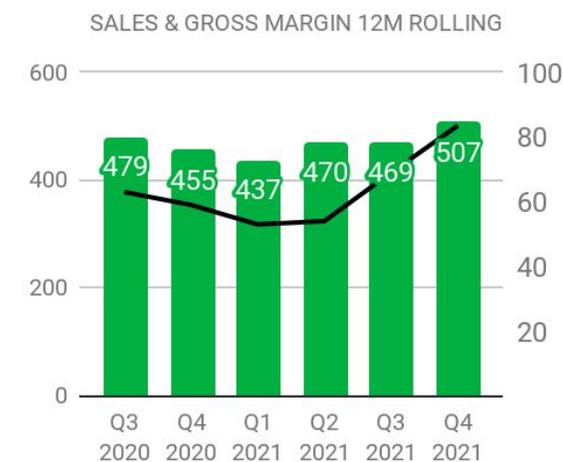
- » Consolidated income statement
- » Analysis of the segments performance
- » Cash flow and available cash
- » Working capital position
- » Investments in fixed assets



Consolidated Income Statement

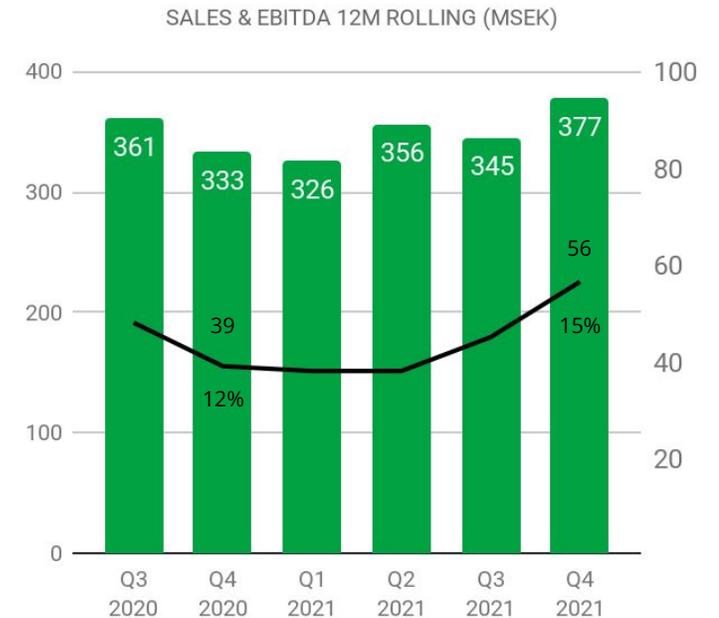
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
MSEK	2021	2020	2021	2020
Net sales	173	134	507	455
Cost of goods sold	-101	-85	-301	-293
Gross profit	72	49	206	162
	42%	36%	41%	36%
Expenses	-45	-36	-160	-151
Operating profit	27	13	46	11
	16%	9%	9%	2%
Net financial items	1	-1	1	-8
Profit before tax	28	12	47	2
Tax	-9	-1	-12	1
Profit for the period	19	11	35	4

Q4	2021
Gross Margin 42%	Gross Margin 41%
Gross Profit +47%	Gross Profit +27%
EBIT MSEK 27	EBIT MSEK 46



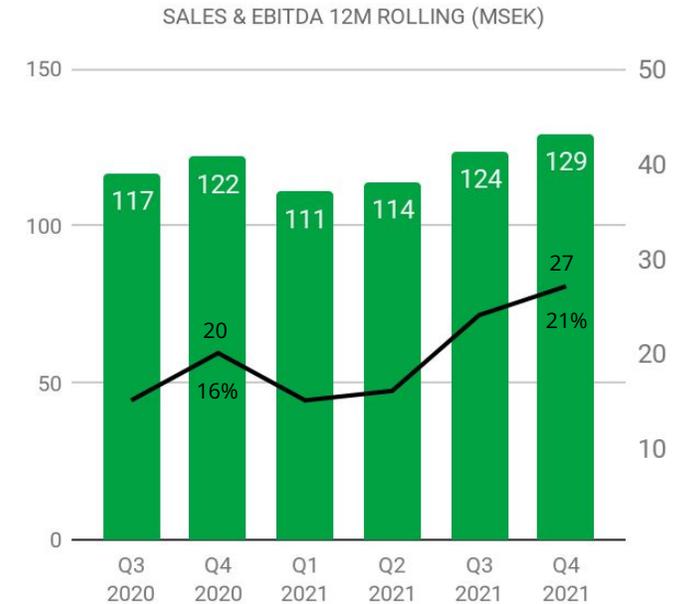
Segment System Sales

- Order Intake 2021 at MSEK 177, Backlog MSEK 418
- Higher quarterly EBITDA of MSEK 25 (14) on sales of MSEK 134 (101)
- Full year EBITDA increased from 12% to 15% to MSEK 56 (39)



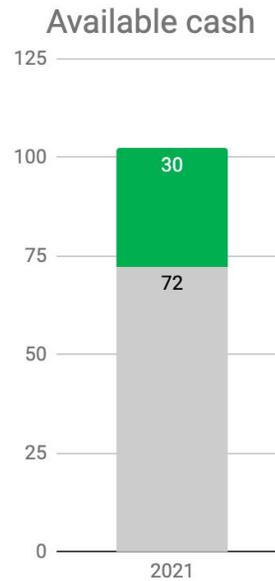
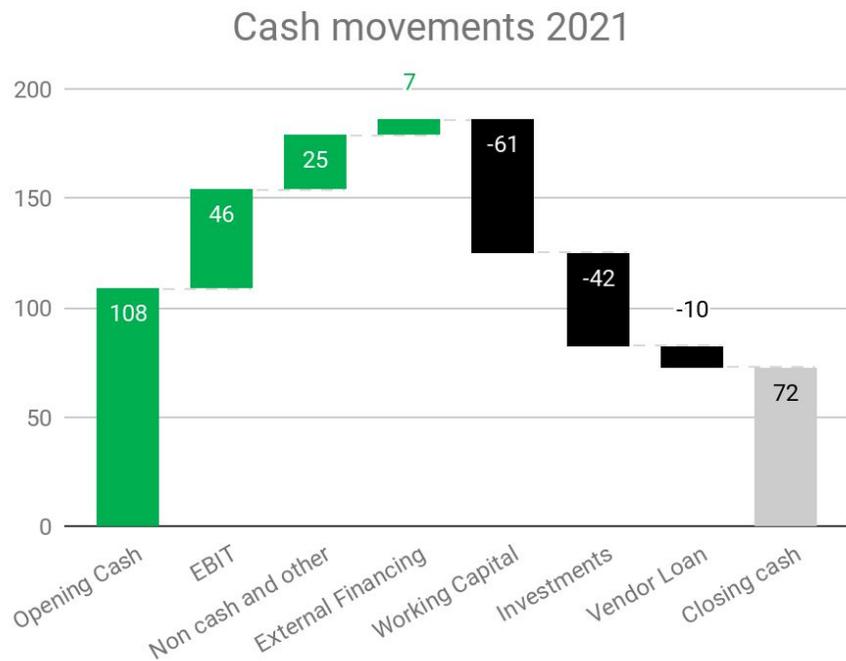
Segment Managed Services

- Order intake 2021 MSEK 192 (159), backlog at MSEK 422
- Q4 sales 18% up compared to Q4 2020, 12 months rolling arrived at MSEK 129
- Full year EBITDA remains in up-trend with an increase of 35% from MSEK 20 to MSEK 27



Cash flow and Available cash

- Positive operating cash flow 2021 at MSEK 9
- Investments in Working Capital MSEK +60 and Fixed Assets MSEK +42
- Available cash at the end of the year MSEK 102 (148)



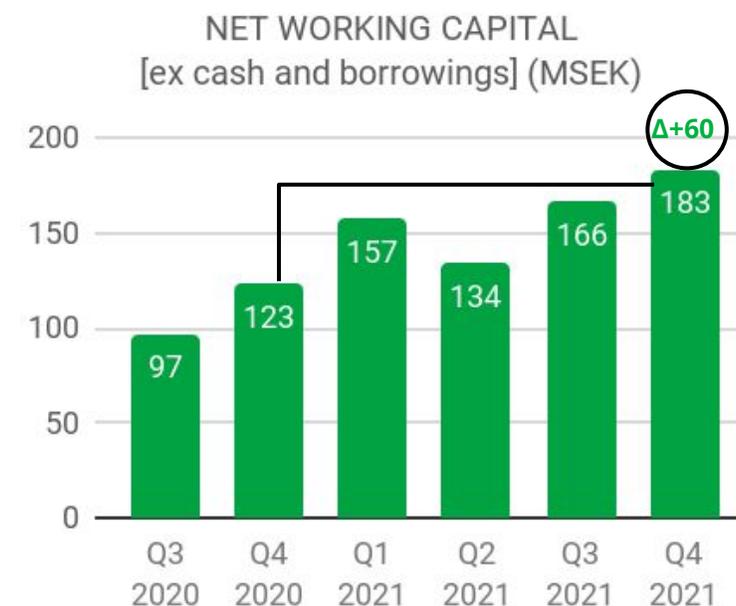
Net working capital position

MSEK	2021	2020
Trade and other receivables	141	68
Inventories and work in progress	97	127
Trade and other payables	-37	-62
Other current assets and interest free liabilities	-17	-10
Net working capital [ex cash and borrowings]	183	123
Cash and bank balances	72	108
Short-term Bank liabilities	-41	-43
Net working capital	215	188

- Investments in Net Working Capital Assets due to big projects like Saudi Project (MSEK +60), will be converted to cash

+60

+27

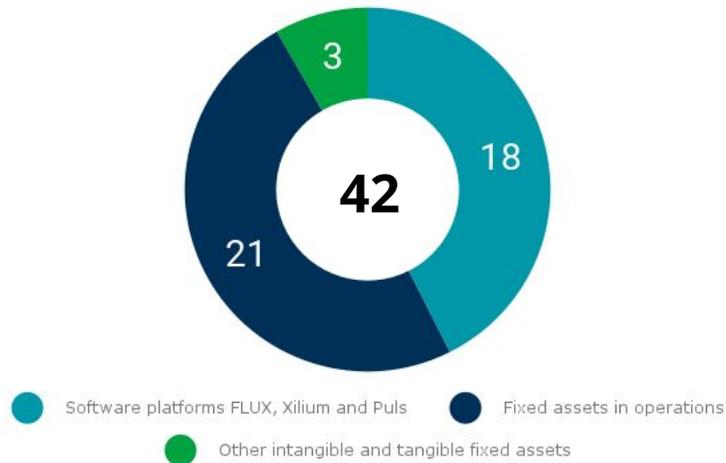


Investments paying off



- Continued investments in Fixed Assets in operations; 2021 at MSEK 21
- More dedicated resources in development of our three platforms FLUX, Xilium and PULS; 2021 at MSEK 18

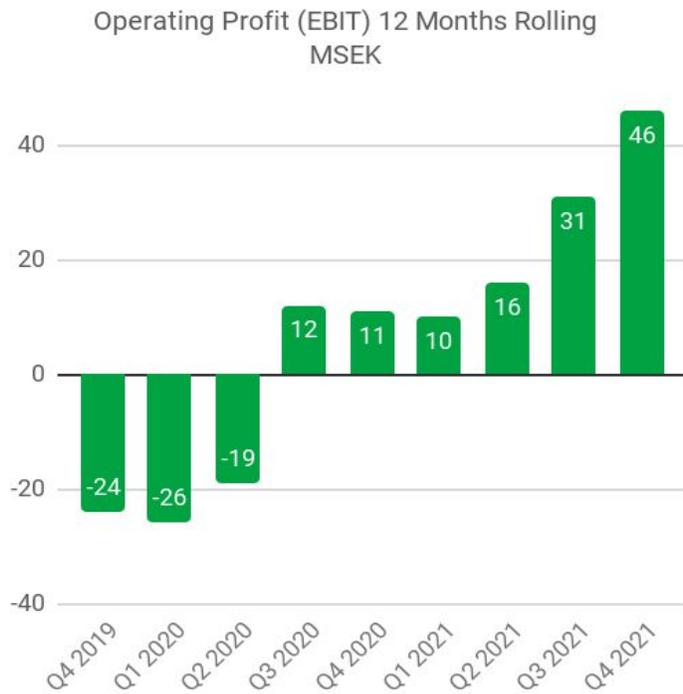
Investments 12 Months Rolling Q4 2021
MSEK



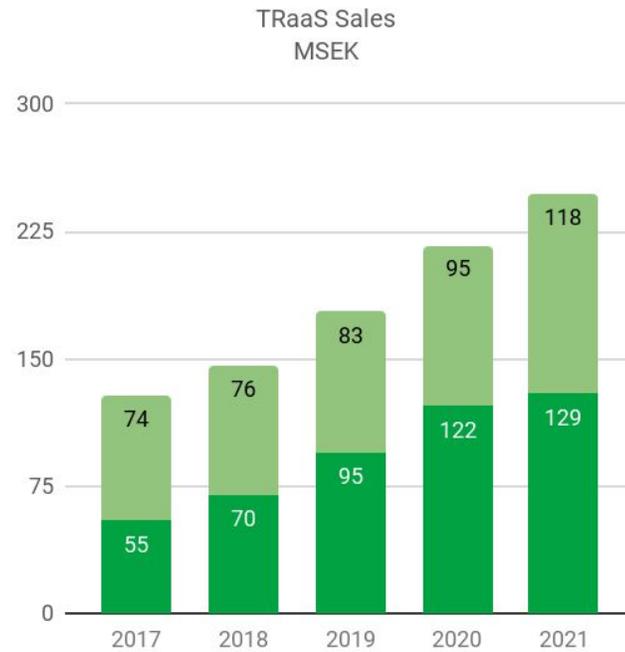
Managed Services Sales
MSEK



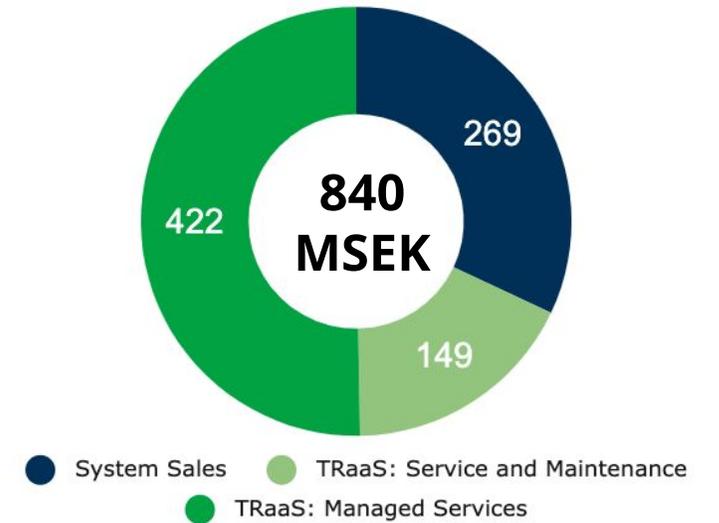
Outlook



Improving profitability



TRaaS momentum



Solid Order Backlog

Q&A

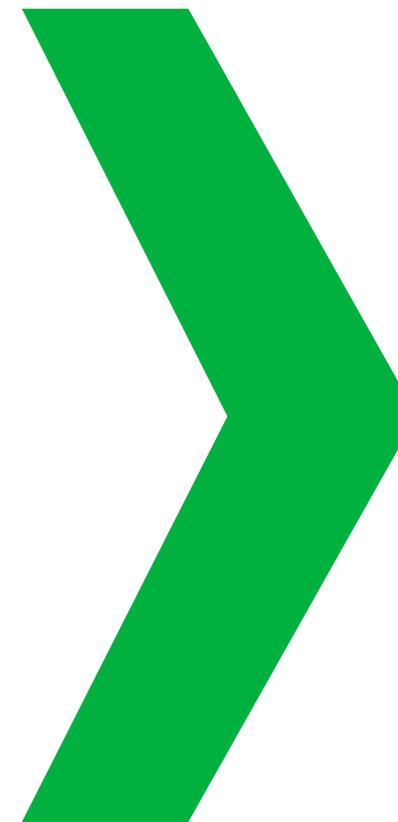


Ivo Mönnink, CEO



Simon Mulder, CFO

Contact: investor@sensysgatso.com



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.