

# Sensys Gatso Group AB

Q4 2019 Market Presentation

Audiocast

February 20, 2020

AGENDA

# Q4 2019 MARKET PRESENTATION

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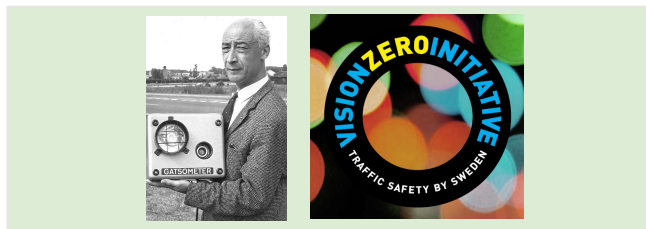
- » Company Snapshot
- » Business update
- » Financial update
- » Long-term financial goals



# Transforming to a service provider

- **The Netherlands | Gatso - The world's first speed enforcement camera 1964**, the first red-light enforcement camera 1966 and the first mobile radar speed control 1980.
- **Sweden | Sensys** - Instrumental in making the Swedish concept of **Vision Zero** a huge success as of 1997

**Sensys merged with Gatso in 2015.**



**Sales 406 MSEK  
EBITDA 29 MSEK**

**50,000 systems in more than 70 countries**



**Total Solution Supplier of systems - software, hardware and services.**

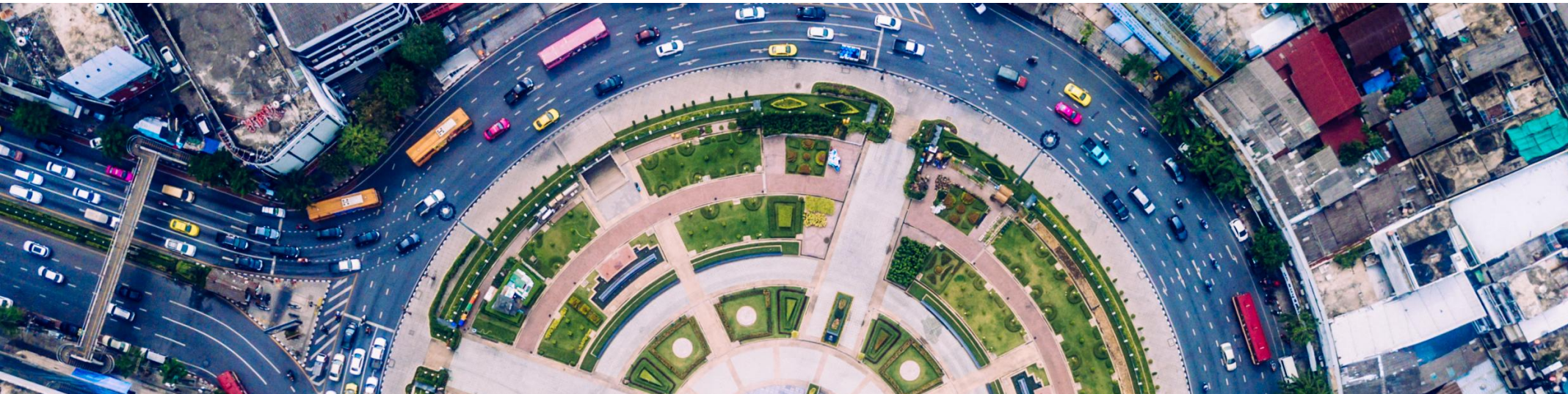
**252 employees in 7 countries**

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# BUSINESS UPDATE

- » High order intake drives growth
- » Transforming to a service provider
- » Traffic enforcement on the rise

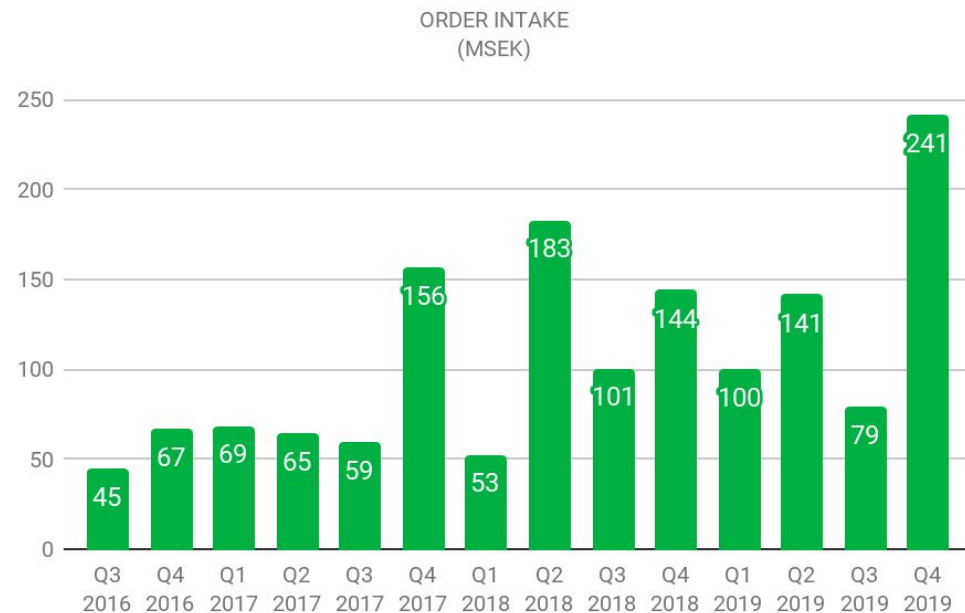
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# High order intake drives growth



- Q4 Order intake 241 million (144), plus 67 percent
- Record high 2019 order intake 562 million (480), plus 17 percent
- Consistently higher order intakes in 2018 and 2019

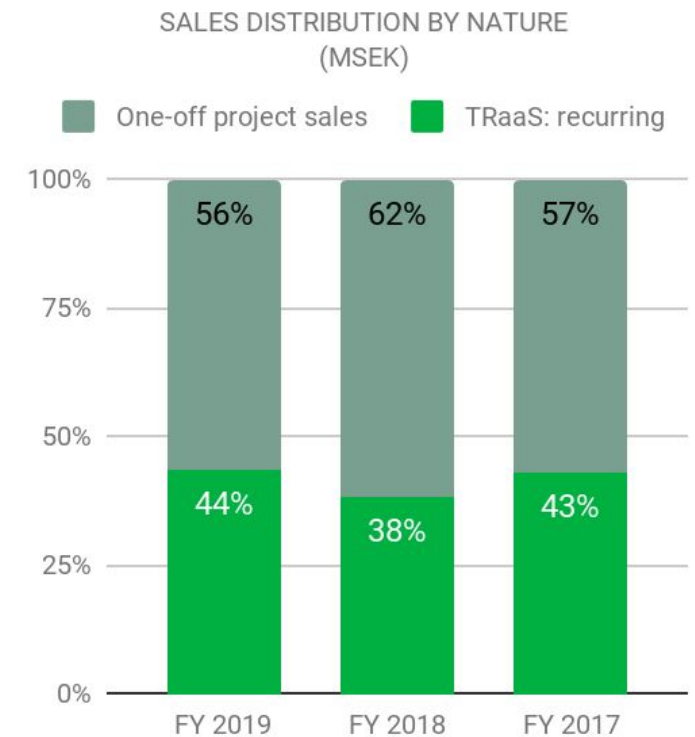


# Transforming to a Service provider

TSEK	YTD Q4 2019	Order intake Announced	Smaller order intake
System Sales	226	155	71
TRaaS: Service & Maintenance	151	127	24
TRaaS: Managed Services	186	152	33
<b>Total Order Intake</b>	<b>562</b>	<b>434</b>	<b>128</b>
Of which TRaaS:	336		
<b>TRaaS % of total Order Intake:</b>	<b>60%</b>		

# TRaaS Sales YTD +22%

MSEK	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
	2019	2018	2019	2018
System Sales	108	53	229	235
TRaaS: Service & Maintenance	21	16	79	68
TRaaS: Licenses	1	4	3	8
TRaaS: Managed Services	28	23	95	70
<b>Total Sales</b>	<b>158</b>	<b>96</b>	<b>406</b>	<b>380</b>
Of which TRaaS:	50	43	177	145
<b>TRaaS % of total Sales:</b>	<b>32%</b>	<b>45%</b>	<b>44%</b>	<b>38%</b>



# Traffic Enforcement on the rise

- UN's 2030 Sustainable Development Goals
- Pilot projects on Distracted Driving
- Retaining our strong EMEA market position
- New in-vehicle solution introduced in Australia
- Strong growth of our US TRaaS business with 9 new contracts
- New Business Vertical of Uninsured Vehicle Enforcement program in USA
- Inroads in Latin America



**Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable

**Goal 13.** Take urgent action to combat climate change and its impacts

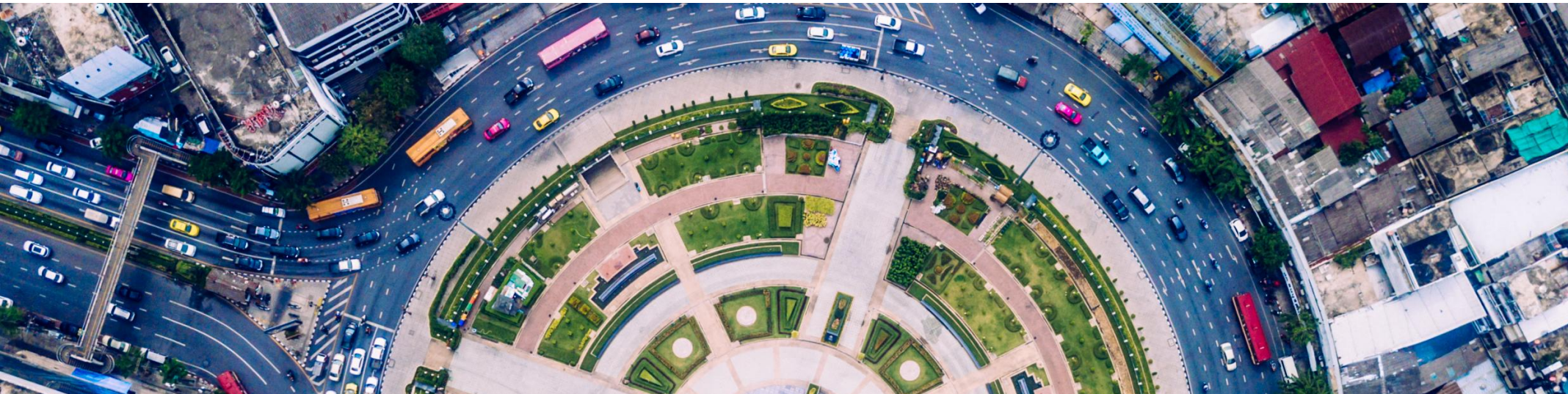


AGENDA

# FINANCIAL UPDATE

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

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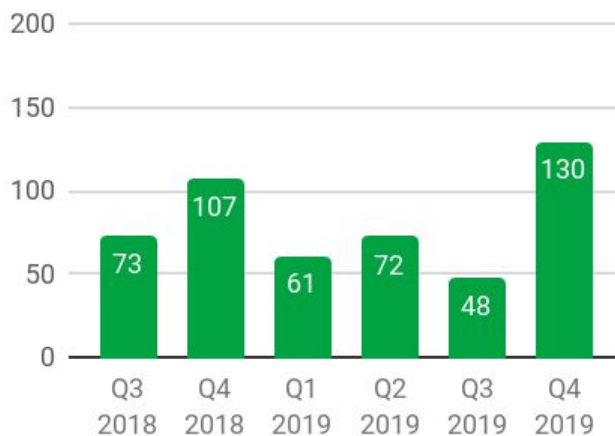
# Segment System Sales

- 2019 order intake of 376 is 14 percent higher compared to last year of which 127 million TRaaS order intake
- Q4 sales at 130 (107) due to deliveries in Australia and Columbia.
- Full year 2019 sales at 311 (310) in line with 2018
- Q4 EBITDA positive of 23 (15). Full year 2019 positive EBITDA of 21 (19)

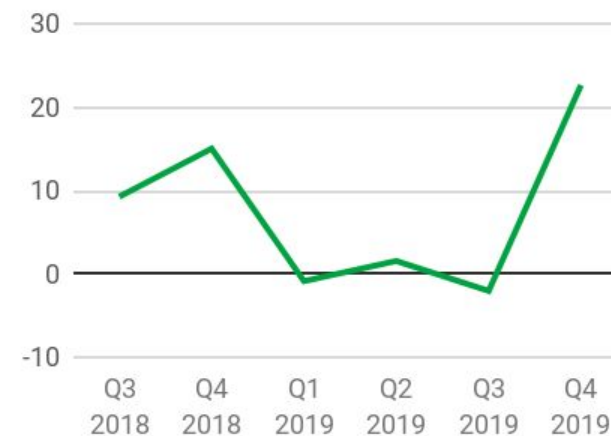
ORDER INTAKE SYSTEM SALES 12M ROLLING (MSEK)



SALES SYSTEM SALES (MSEK)



EBITDA SYSTEM SALES (MSEK)



# Segment Managed Services

- 2019 order intake at 186 (150), plus 24 percent.
- Q4 sales at 28 (17) plus 65 percent. Full year 2019 sales at 95 (70) plus 36 percent
- Q4 EBITDA positive of 4 (2). Full year 2019 positive EBITDA of 7 (18)

ORDER INTAKE MANAGED SERVICES 12M  
ROLLING (MSEK)



SALES MANAGED SERVICES  
(MSEK)



EBITDA MANAGED SERVICES  
(MSEK)

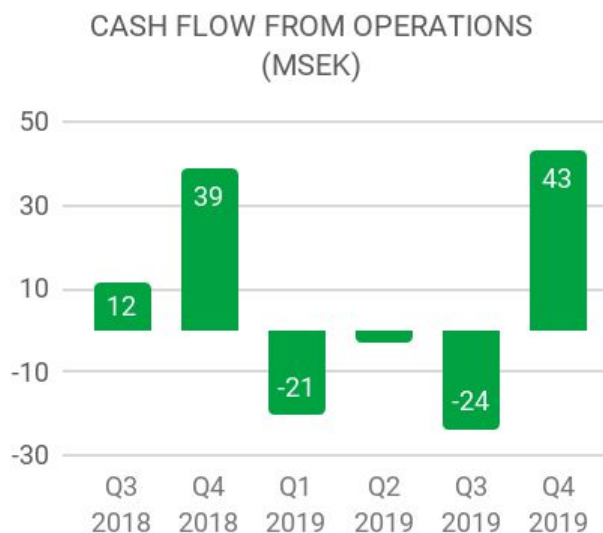
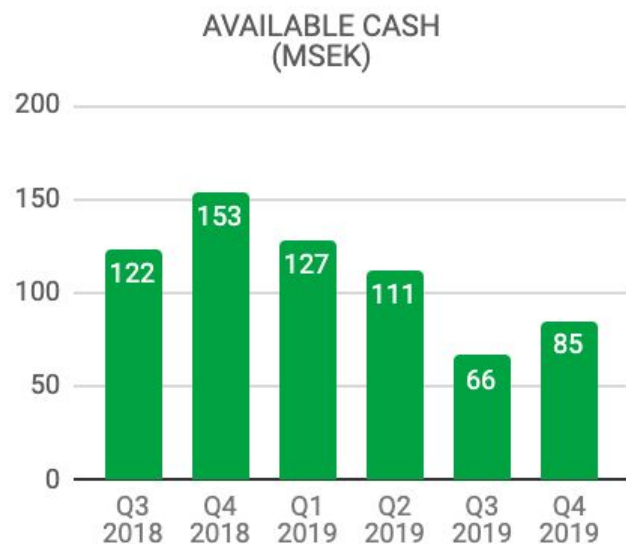


# Consolidated Income Statement

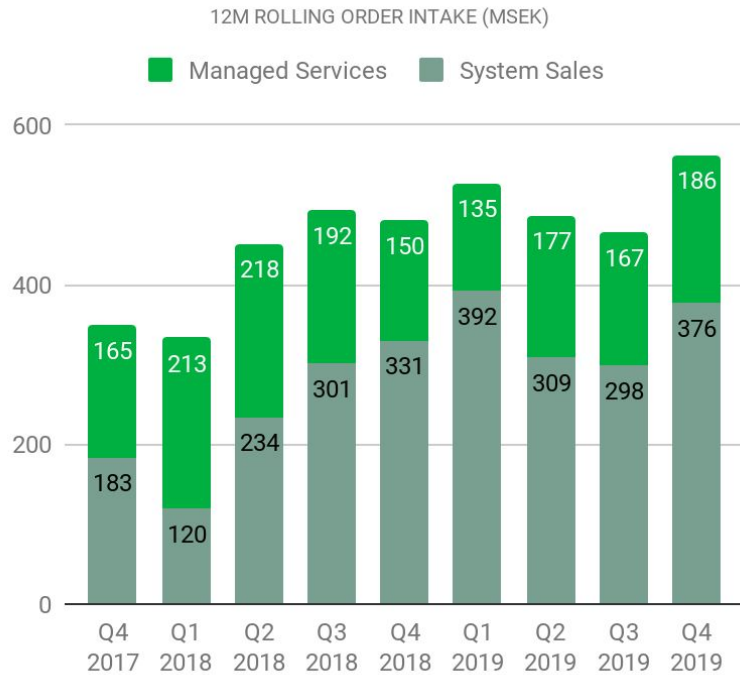
	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
TSEK	2019	2018	2019	2018
<b>Net sales</b>	157,997	124,423	406,325	380,349
Cost of goods sold	-103,374	-73,546	-261,278	-218,834
<b>Gross profit</b>	<b>54,623</b>	<b>50,877</b>	<b>145,047</b>	<b>161,515</b>
Selling expenses	-20,217	-19,908	-81,157	-75,098
Administrative expenses	-9,175	-11,386	-41,067	-38,579
Development expenses	-11,588	-12,146	-47,849	-46,176
Other operating expenses/income	254	-146	634	-1,073
<b>Operating profit</b>	<b>13,897</b>	<b>7,291</b>	<b>-24,392</b>	<b>589</b>
Net financial items	-1,017	649	-3,137	-1,685
<b>Profit before tax</b>	<b>12,880</b>	<b>7,940</b>	<b>-27,529</b>	<b>-1,096</b>
Tax	5,532	-129	12,418	-1,376
<b>12 Profit for the period</b>	<b>18,412</b>	<b>7,811</b>	<b>-15,111</b>	<b>-2,472</b>

# Cash and Available cash

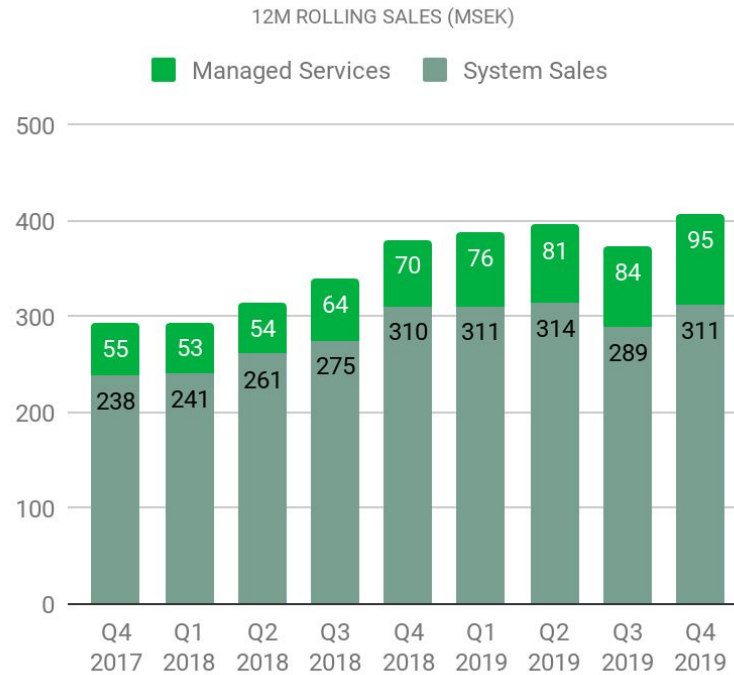
- Available cash at 85 (153) MSEK
- 2019 Build-up working capital position of 24 MSEK
- Investments in Fixed Assets of 43 MSEK
- Repayment on Vendor Loan Installment 10 MSEK
- Q4 Operating cash flow at 43 (39) MSEK
- SGG and Rabobank have the Intention to increase credit facilities with additional 50 MSEK



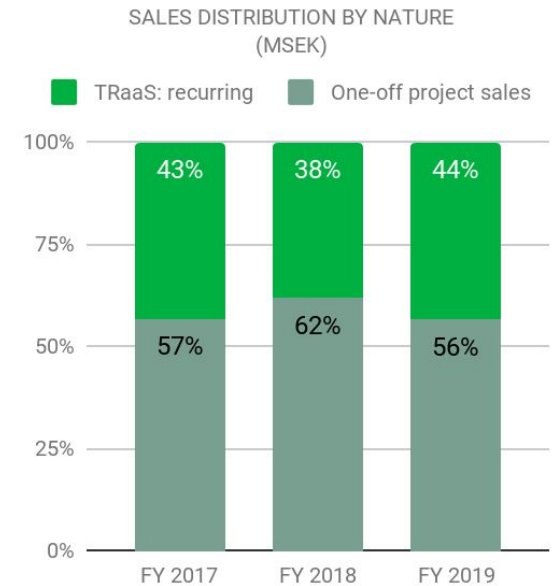
# Financial snapshot



Record high order intake



18% CAGR



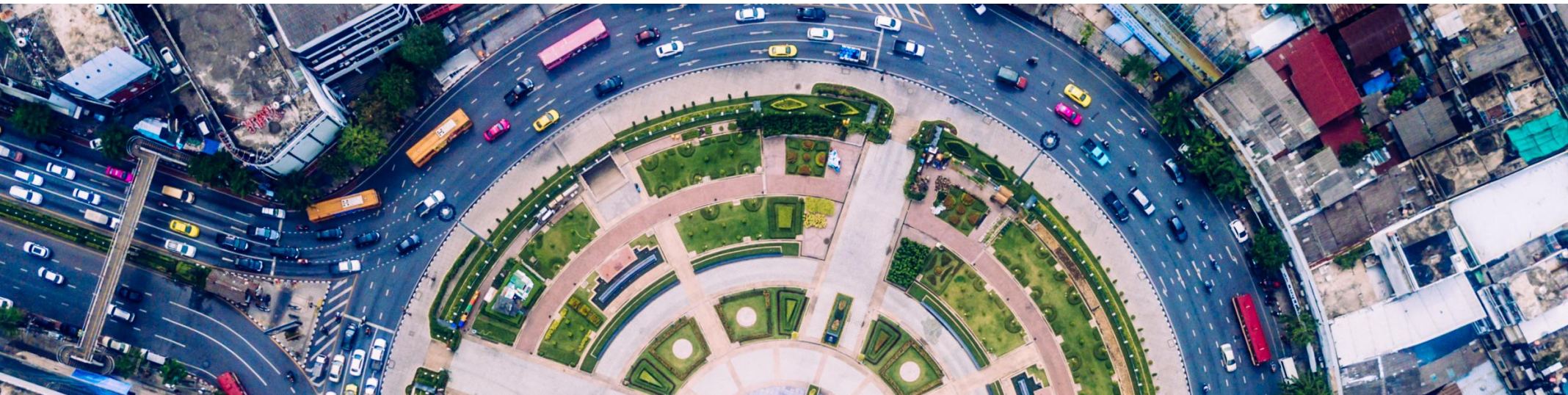
44% TRaaS revenue

AMBITION

# LONG-TERM FINANCIAL GOALS

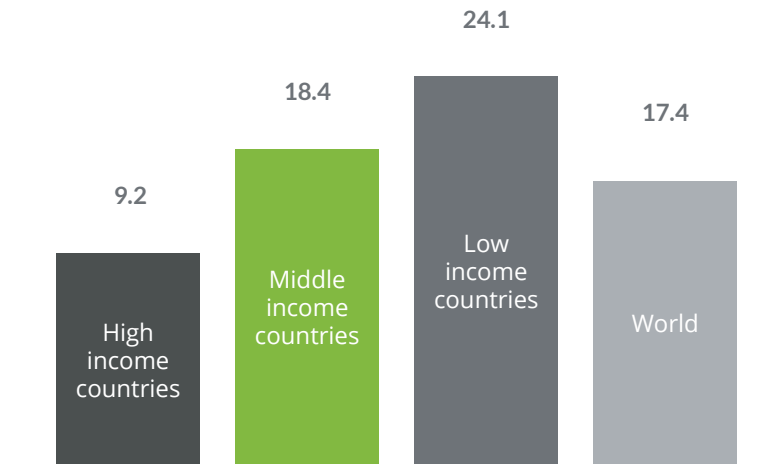
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- » The Market
- » Four focused strategies
- » Focus on TRaaS
- » Financial goals for 2025



# Growing Global Markets

The risk of dying in a road traffic crash depends on where you live.



SOURCE: WHO Road traffic fatalities per 100,000 population

	2018	2023 est.	CAGR
<b>Road Safety Market</b>	<b>28 bn</b>	<b>44 bn</b>	<b>9.8%</b>
Solutions 70%	19 bn	29 bn	9.3%
Services 30%	9 bn	15 bn	10.0%

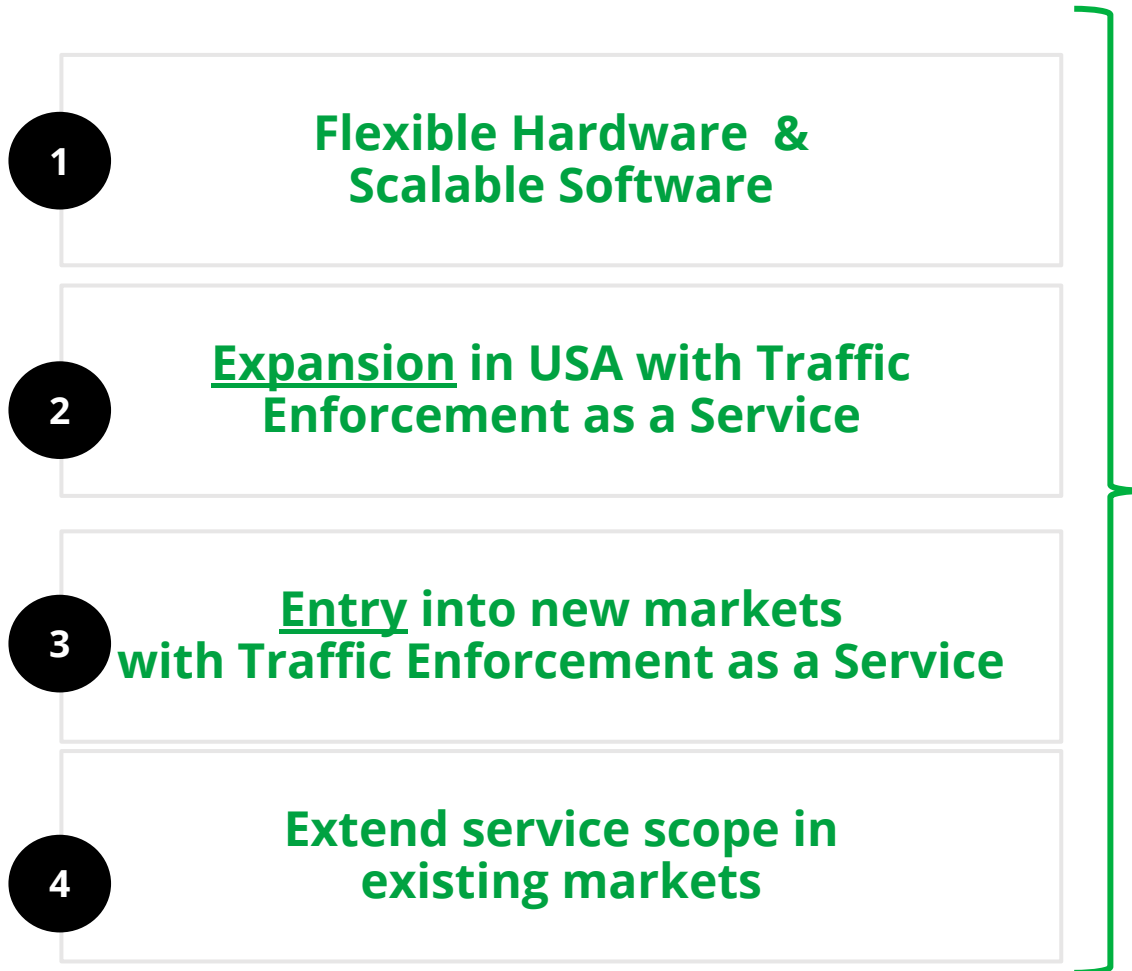
SOURCE: MarketsandMarkets 2018



4 out of top 5 safety countries are 'Sensys Gatso countries'



# 4 Focused strategies



## SOLID BASE

MSEK	2019	2018	2017
Order intake	562	480	349
Net Sales	406	380	293
EBITDA	29	38	-16
Cash-flow*	-4	49	-39

\*) from operations

# Focus on TRaaS

## FLUX



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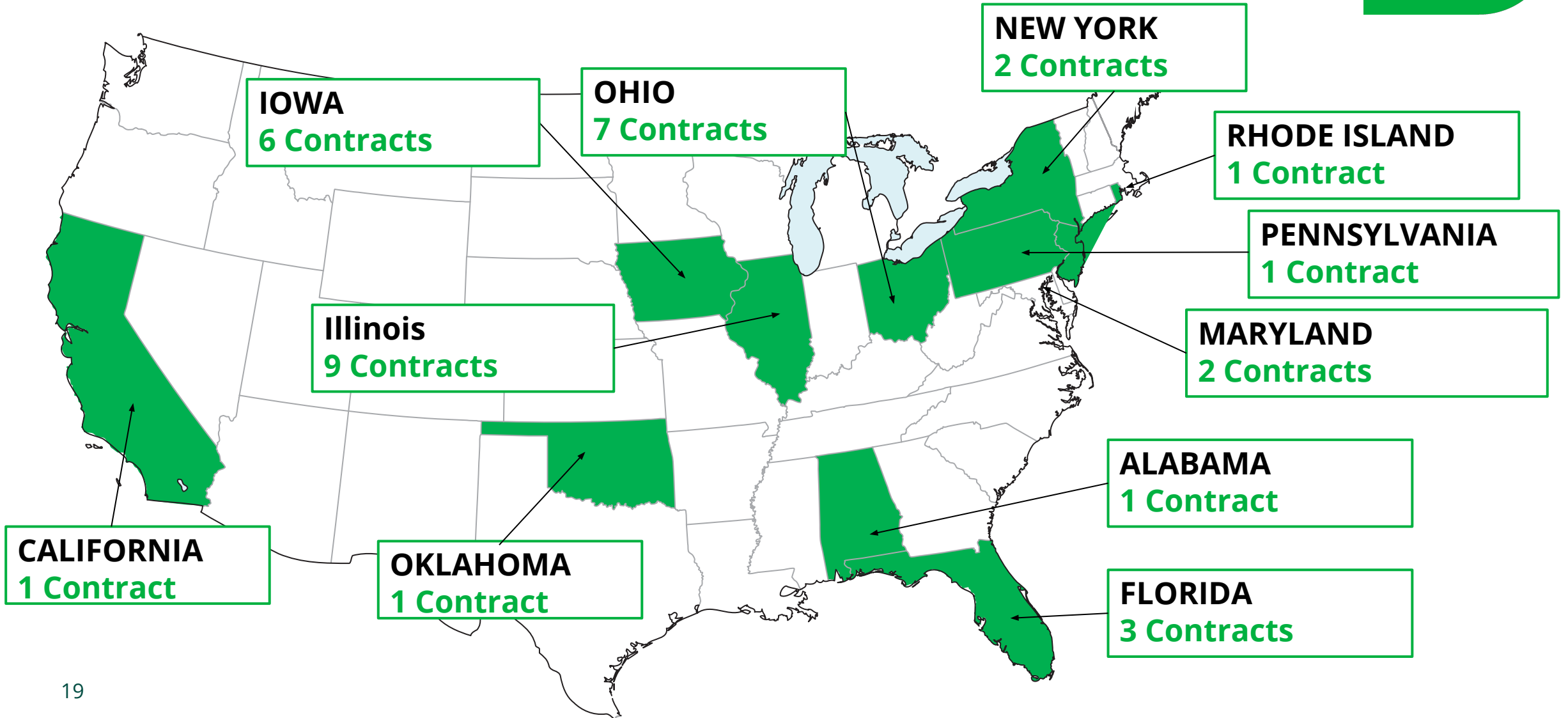
XILIUM  
by GATSO



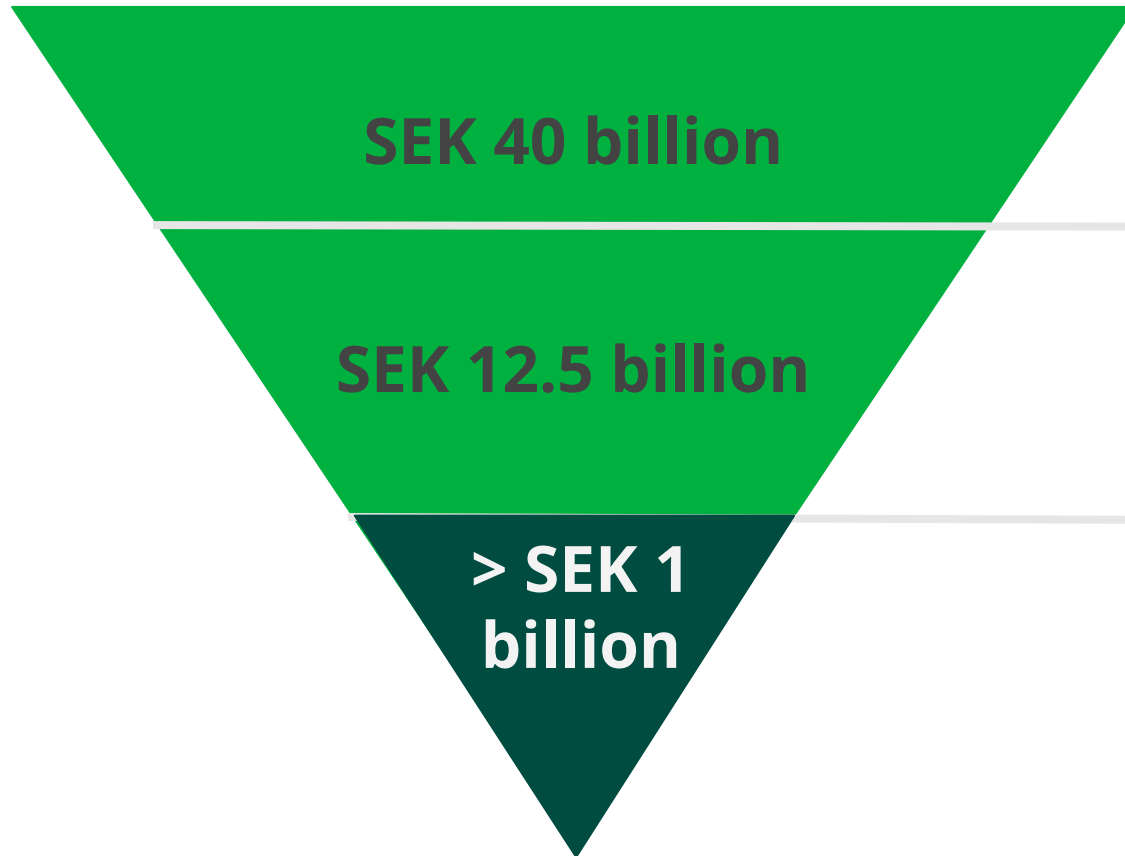
**It is the combination of software, hardware and services.**

- Diverse global market conditions and customer needs are changing faster than ever.
- Scalable software and flexible hardware.
- We can offer complete, flexible and scalable solutions for traffic enforcement.
  - Scale up much faster
  - Targeting new customers and new verticals like uninsured vehicles and parking enforcement

# 11 States, 34 Programs and growing



# Sizeable and growing market



Road Safety Market based on Markets & Markets (CAGR 10%)<sup>1</sup>

Addressable Focus Market SGG based on Management's Assessment (CAGR 10%)<sup>2</sup>

SGG 2025 Ambition (CAGR 16%)

# Long-term financial goals for 2025



<b>TSEK</b>	<b>2019</b>	<b>2025</b>	<b>CAGR</b>
<b>Total Net Sales</b>	<b>406</b>	<b>&gt; 1000</b>	<b>&gt; 16%</b>
of which TRaaS recurring sales:	177	> 600	> 22%
<b>EBITDA</b>	<b>7%</b>	<b>&gt; 15%</b>	

- Outperforming the market on topline growth
- Strong global value proposition, brand and team
- Focus on recurring TRaaS business
- Profitability > 15%

# Q&A



Simon Mulder, CFO

Ivo Mönnink, CEO

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

