

# Sensys Gatso Group AB

Q4 2020 Market Presentation

Audiocast

February 25, 2020

10:00 CET

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# Q4 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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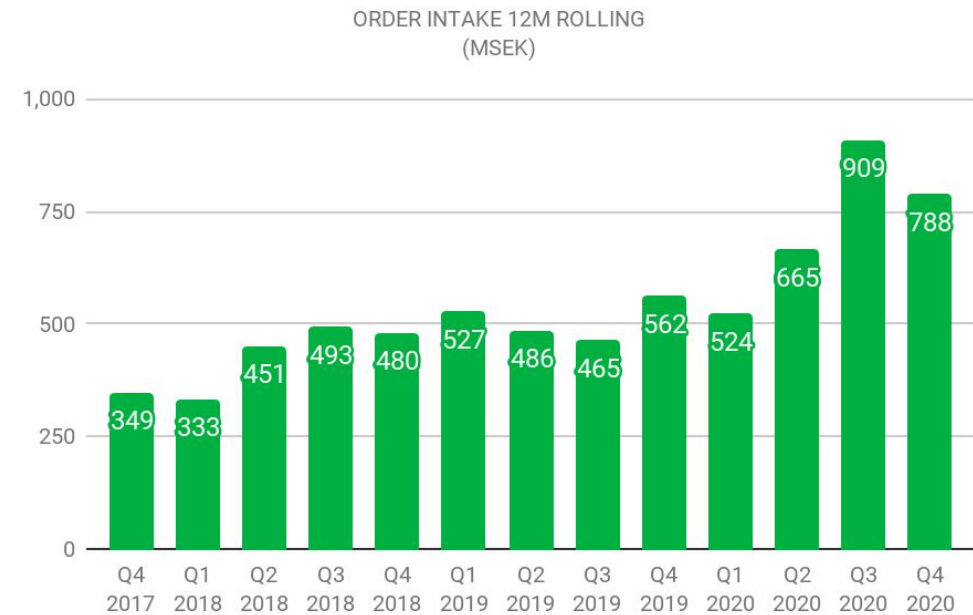
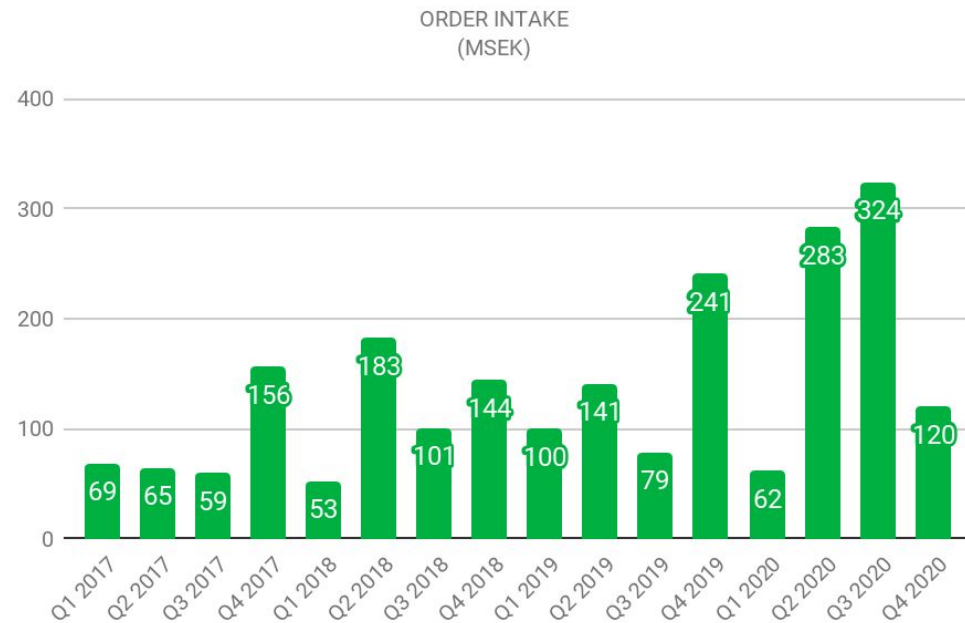
- » Order Intake up 40%
- » TRaaS Sales up by 23%
- » Positive EBIT of SEK 11 million
- » KSA Deliveries started
- » Strong position in Costa Rica contract
- » Update on The Netherlands
- » Global leadership update



# Order Intake up 40%



- Solid order intake MSEK 121 (247), with high TRaaS quality
- Dutch TRaaS contract extends to 12 years total contract length
- Two new school zone speed enforcement contracts
- Order Intake up by 40% at MSEK 788 (562)

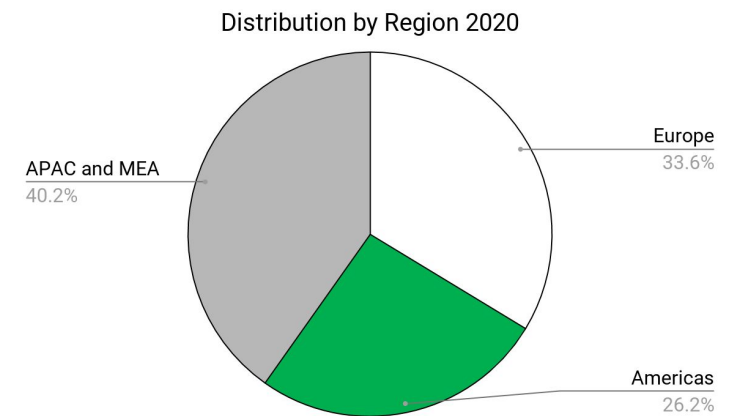


# TRaaS Sales up by 23%

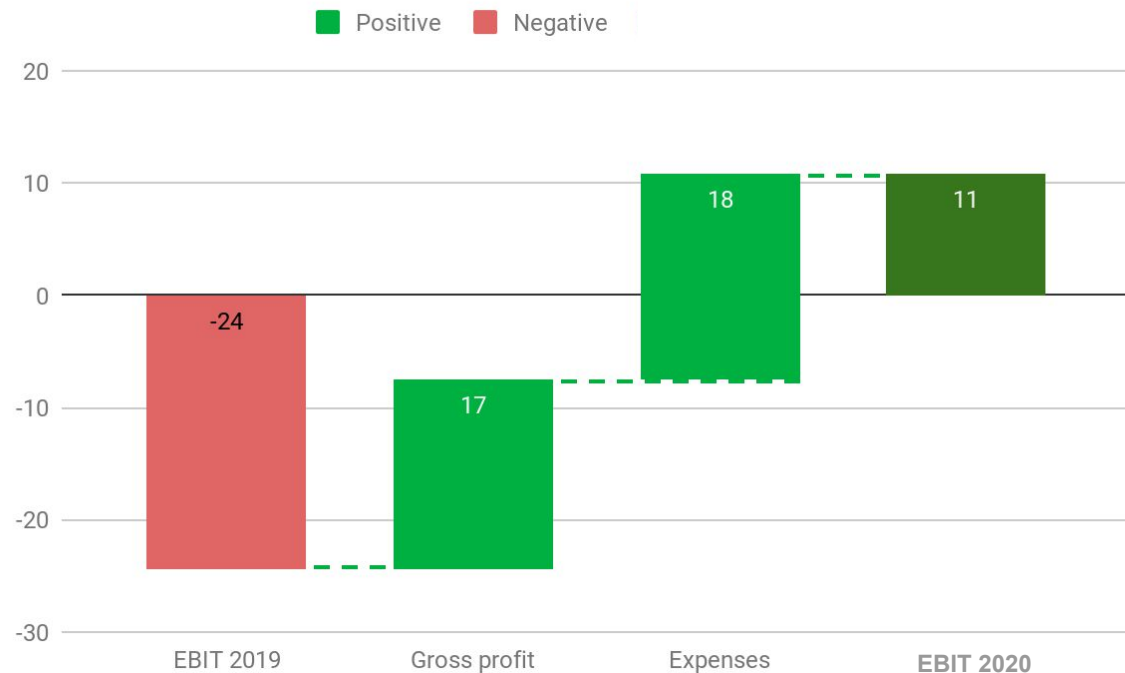


TSEK	Q4 2020	Q4 2019	FY 2020	FY 2019	FY 2018
System Sales	76	108	238	229	236
TRaaS: Service & Maintenance	25	21	91	79	68
TRaaS: Licenses	1	1	4	3	7
TRaaS: Managed Services	33	28	122	95	70
<b>Total Sales</b>	<b>134</b>	<b>158</b>	<b>455</b>	<b>406</b>	<b>380</b>
Of which TRaaS:	59	50	217	177	144
TRaaS % of total Sales:	44%	32%	48%	44%	38%
<b>TRaaS Growth:</b>	<b>18%</b>		<b>23%</b>		

- Total Sales up 12%
- Balanced global Sales distribution
- TRaaS sales up 23%
- TRaaS Sales 48% of total Sales

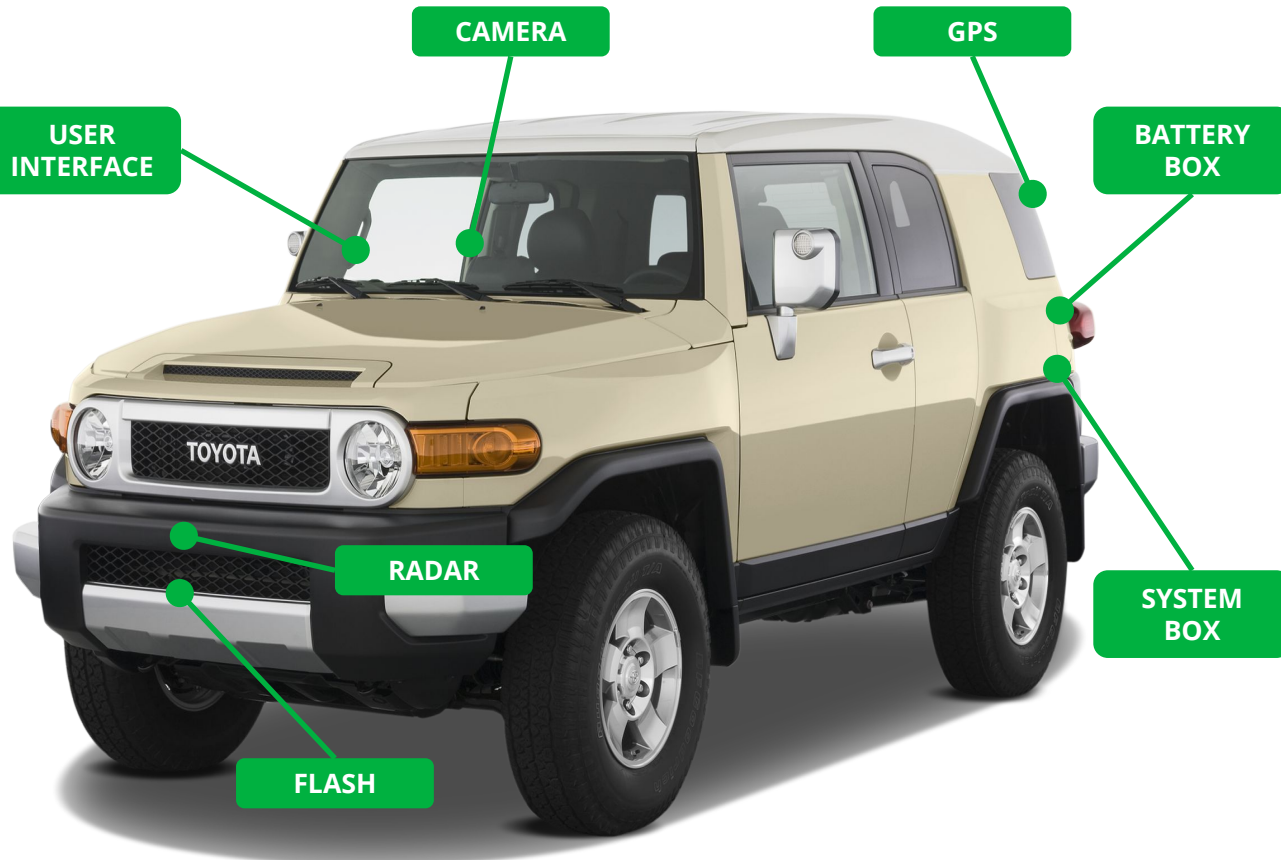


# Positive EBIT of 11 million



- Resilient to pandemic
- Gross Profit up MSEK 17 to 162 (145)
- Expenses MSEK 18 lower to 151 (169)
- EBITDA doubled to MSEK 59 (29)
- EBITDA Margin 13%
- EBIT improved by MSEK 35 from MSEK -24 million to SEK 11 million

# Saudi Arabia deliveries restarted



- MSEK 275 contract with KSA
- Market leader with unique solution
- First deliveries in Q3
- Only 15% accounted for in 2020 revenue
- Deliveries resumed in February 2021
- Remainder of contract expected to be delivered in 2021

#### Leading the industry once more

- » Market leader with more than 2200 systems sold in 4 countries
- » Covert in-vehicle solution
- » User Friendly and flexible installation
- » Legal Security (measures own speed)
- » Only one real competitor in the markets

Youtube: <https://youtu.be/10KUG4kdNZ8>

# Strong position in Costa Rica contract



- MSEK 192 nation wide traffic enforcement contract from the Costa Rican government
- Roadside equipment, analytics software and back office software
- 2020 approved budget on hold due to COVID-19
- Willingness from Government to start and strong contractual position of consortium
- Deployment expected to start second half of 2021 earliest



# Reducing greenhouse gas emissions in the Netherlands



- City of Amsterdam is frontrunner in automated enforcement of Low Emission Zone (milieu zone)
- Project has been with SGG since 2010 and has been renewed in 2018
- Provision of Puls analytics software
- Emission now within limits of healthy living space

# Investigation in The Netherlands

"Nowadays, everything we do revolves around one powerful word. It's spelled *integrity*. Integrity defines who we are as people, and as a partner to our customers."

Ivo Mönnink, CEO  
Annual Report 2017

- Investigation in SG Netherlands (formerly Gatsometer b.v.)
- Relates to contract in 2015, before acquisition
- No MAR obligation to go public
- Internal audit
- Not possible yet to assess consequences, if any

# Pär Degerman joins SGG as new CTO



- Started on February 15th
- Timo Gatsonides remains in advisory role
- Swedish national
- Automotive background with Scania and Einride (autonomous driving trucks)
- Master of science / licentiate degree Linköping University
- Introduction during Q1 market presentation

# 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



**Pär Degerman CTO**

Background from Scania and Einride. Started with SGG in February 2021

## 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**



**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 Nokia.



Industry Experience & Knowledge



International Business Experience & Knowledge

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# FINANCIAL UPDATE

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



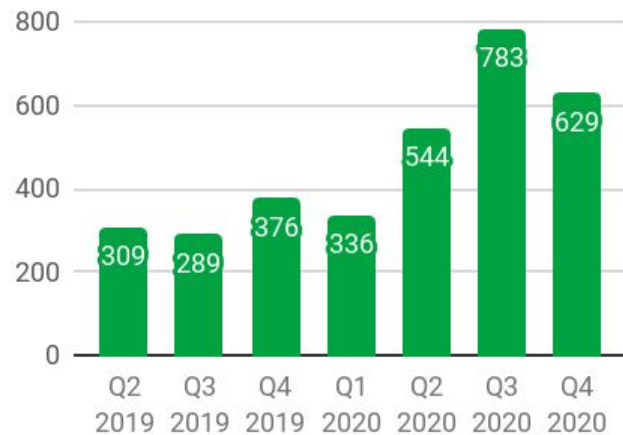
# Consolidated Income Statement

	Oct - Dec	Oct - Dec	Jan - Dec	Jan - Dec
TSEK	2020	2019	2020	2019
<b>Net sales</b>	134,252	157,997	454,933	406,325
Cost of goods sold	-85,260	-103,374	-293,066	-261,278
<b>Gross profit</b>	<b>48,992</b>	<b>54,623</b>	<b>161,867</b>	<b>145,047</b>
Selling expenses	-15,137	-20,217	-72,177	-81,157
Administrative expenses	-14,348	-9,175	-48,300	-41,067
Development expenses	-7,883	-11,588	-34,080	-47,849
Other operating expenses/income (1)	917	254	3,511	634
<b>Operating profit</b>	<b>12,541</b>	<b>13,897</b>	<b>10,821</b>	<b>-24,392</b>
Net financial items	-884	-1,017	-8,345	-3,137
<b>Profit before tax</b>	<b>11,657</b>	<b>12,880</b>	<b>2,476</b>	<b>-27,529</b>
Tax	-929	5,532	1,478	12,418
<b>Profit for the period</b>	<b>10,728</b>	<b>18,412</b>	<b>3,954</b>	<b>-15,111</b>

# Segment System Sales

- 12 months rolling Order Intake is at a high level of MSEK 629
- Second strong sales quarter in a row at MSEK 101, but 22% lower than Q4 2019
- EBITDA for Q4 at approx. MSEK 13 compared to MSEK 23 in Q4 2019

ORDER INTAKE SYSTEM SALES 12M ROLLING (MSEK)

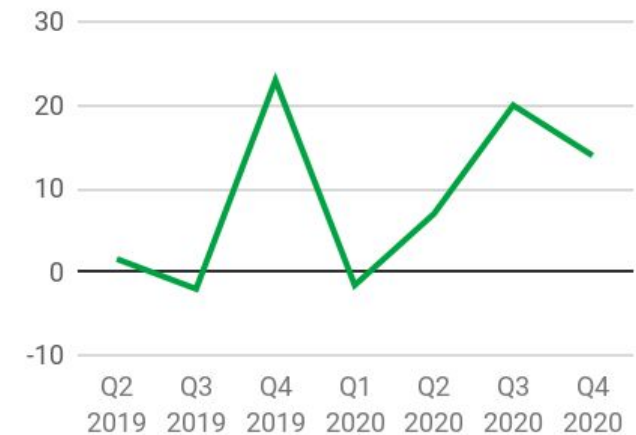


SALES SYSTEM SALES (MSEK)



**MSEK 333**

EBITDA SYSTEM SALES (MSEK)



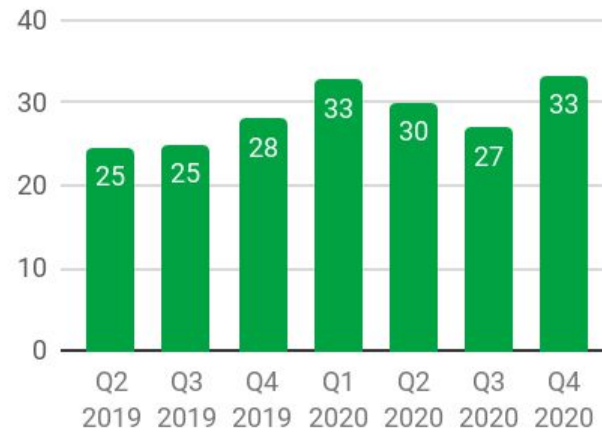
# Segment Managed Services

- 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)

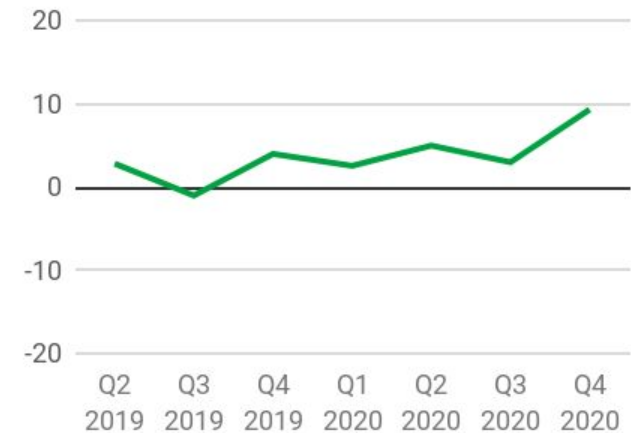


SALES MANAGED SERVICES (MSEK)



⏟  
**MSEK 122**

EBITDA MANAGED SERVICES (MSEK)

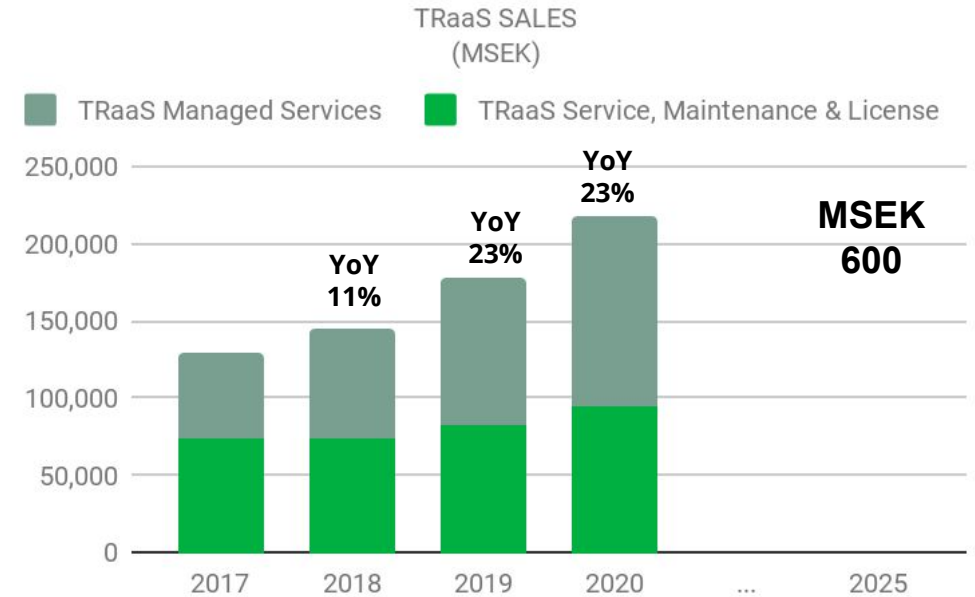




# TRaaS Sales Development

YTD 2020

Segments / Revenue source	System Sales	Service and Maintenance Licences	Managed Services	Segment totals	% TRaaS	
Managed Services	0	0	122	122	100%	
System Sales	238	91	4	333	29%	
<b>Total Sales</b>	<b>238</b>	<b>91</b>	<b>4</b>	<b>122</b>	<b>455</b>	
	<b>TRaaS:</b>	<b>91</b>	<b>4</b>	<b>122</b>	<b>217</b>	<b>48%</b>



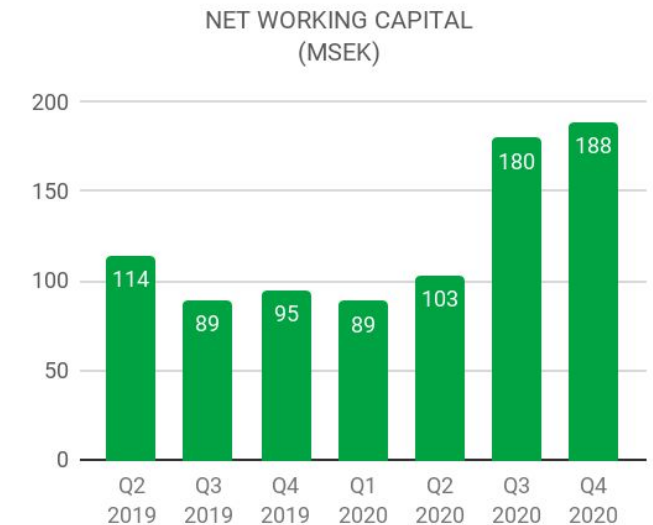
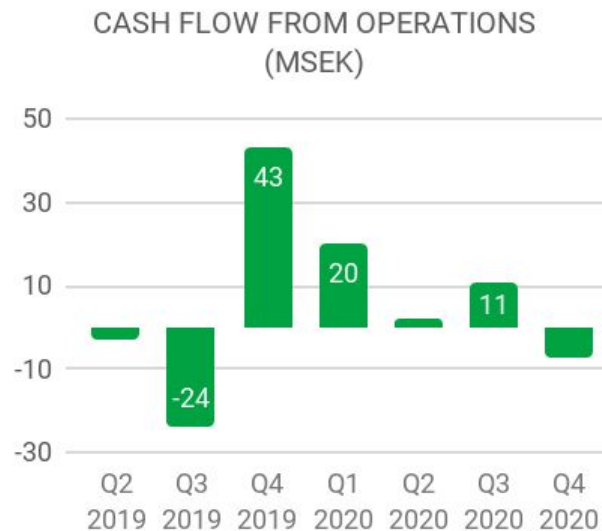
- 29% YTD TRaaS revenue in Segment System Sales
- TRaaS Sales YTD at 48% compared to 44% FY 2019

- 23% YoY TRaaS growth in 2019 and 2020
- Growth driven by TRaaS Managed Services in USA
- Trending towards long-term ambition of more than 22% CAGR for TRaaS

# Available cash and financial position



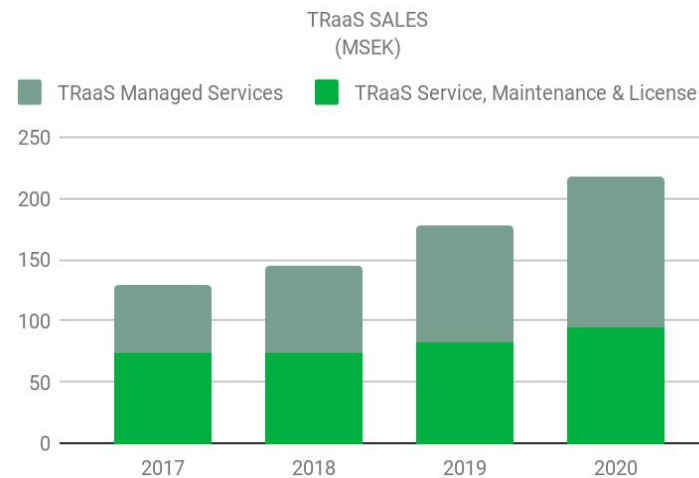
- Available cash at MSEK 148 (85)
- Q4 Operating cash flow negative MSEK 7 (positive 43)
- Equity assets ratio at 67% (63%)
- Net working capital MSEK 188 (95)



# Outlook



**Order intake up 40%**



**23% TRaaS Sales growth**

## 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

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# 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.