

Sensys Gatso Group AB Market Presentation Interim Report Q2 2023

Sensys
Gatso
Group

August 17, 2023

Ivo Mönnink, CEO

Simon Mulder, CFO

Ticker | **SGG**

Nasdaq Smallcap Stockholm

AGENDA

Q2 MARKET PRESENTATION

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



BUSINESS UPDATE

Executing on commercial strategy

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- » Five new customers in USA
- » TRaaS represents 65% of total Sales and grew 18%
- » Onboarding new programs in the US Market
- » On track for carrying out historical order intake
- » Resuming deliveries to Saudi Customer
- » EBITDA margin in line with ambition
- » Investing for Growth in the USA
- » Financial guidance 2023 in sight and on track for the 2025 goals



Five new customers in USA



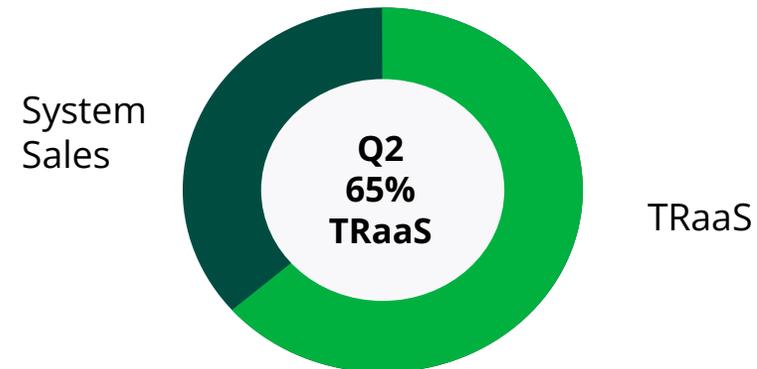
- Order Intake including procurement award MSEK 322 (240), up 34%
- H1 2022 order intake MSEK 412 (569)
 - TRaaS order intake from USA
 - System sales order intake from Middle East
- Six TRaaS contracts in USA, of which five new customers
- Stepped up sales activities in USA bear fruit

TRaaS sales represents 65% of Sales, up 18%



	Q2 2023	Q2 2022	YTD 2023	YTD 2022
MSEK				
System Sales	46	51	73	95
TRaaS: Service & Maintenance	32	29	68	57
TRaaS: Licenses	1.8	0.3	3.5	1.6
TRaaS: Managed Services	53	44	101	84
Total Sales	133	125	246	238
Of which TRaaS:	87	74	173	143
TRaaS % of total Sales:	65%	59%	70%	60%

- Net sales in Q2 MSEK 133 (125), up 6%
- TRaaS sales in Q2 MSEK 87 (74), up 18%
- Q2 TRaaS 65% (59%) of total sales
- Growth from US TRaaS Managed Services and Tasmania Police project in Australia
- YTD TRaaS MSEK 173 (143), up 24% and 70% of total sales

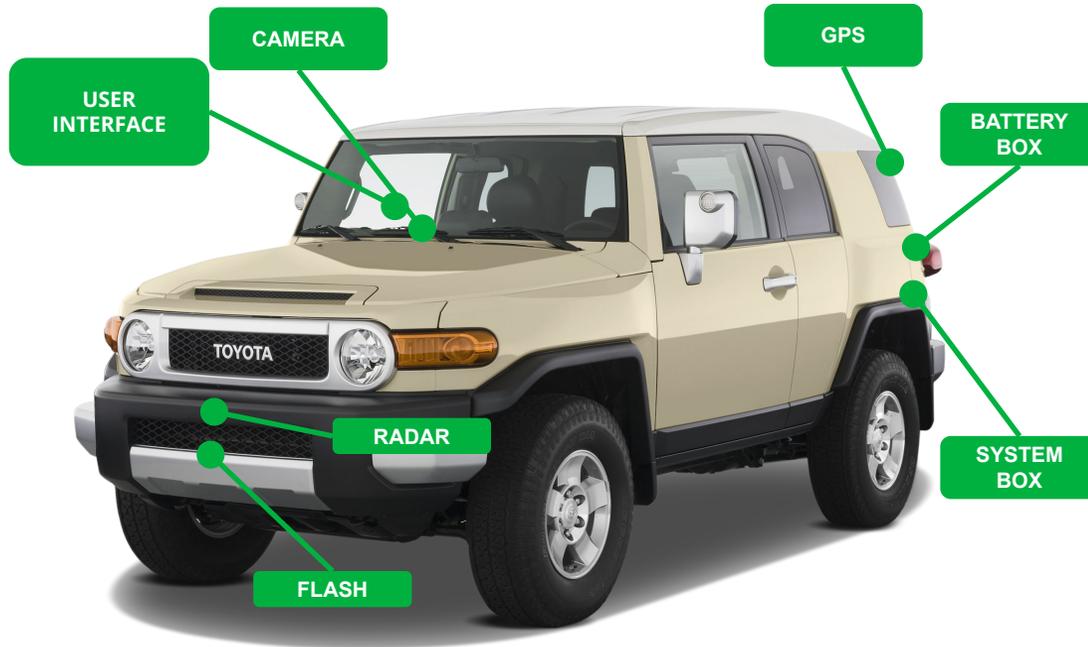


Onboarding new programs in the US Market

	City (State)	Total Contract Value (MSEK)	Contract Period (yrs)
NEW	Warrington (Pennsylvania)	26	7
NEW	Marion (Iowa)	44	5
NEW	Webster City (Iowa)	7	5
NEW	Parma Heights (Ohio)	13	7
	Homewood (Illinois)	10	5
NEW	Fort Dodge (Iowa)	12	5
	Total YTD	112	

- Executing on our plan for strategic US market
- YTD TRaaS Managed Services sales MSEK 101(84), up 20%
- Three new sales managers in USA
- YTD 6 new contracts, of which 5 new cities, for a total contract value of MSEK 112
- Implementation phase started with one-off start-up costs

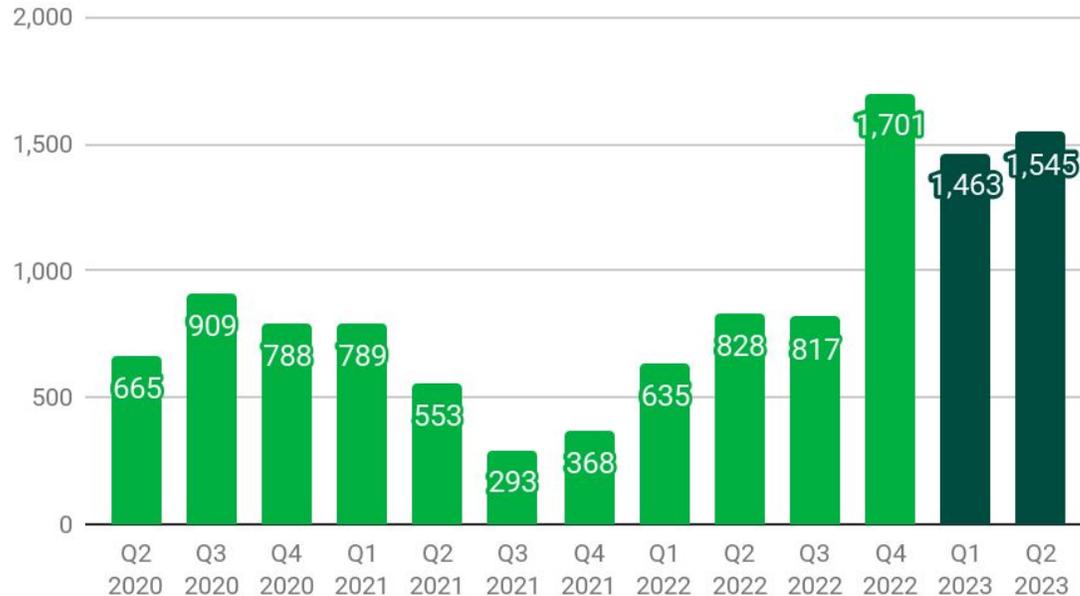
Resuming deliveries to Saudi Arabia



- YTD 75% of SEK 275 delivered
- Deliveries paused in Q3 2022
- Resumed in July 2023
- 25% agreed to be fully delivered in 2023

On track for carrying out historical order intake

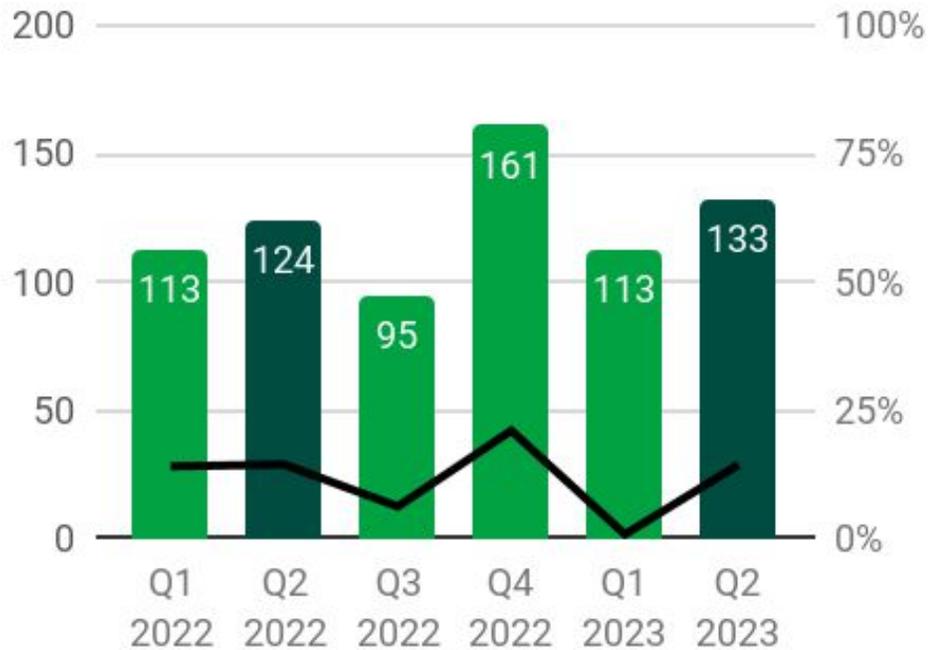
ORDER INTAKE 12M ROLLING
(MSEK)



- Nearly SEK 2 BN order intake FY2022 + YTD 2023
- Includes two large contracts;
 - SEK 850 Swedish TrafikVerket
 - SEK 250 Dutch Public Services
- Upfront development work and expenses leveraged over 12 year contract periods
- Solutions accepted and first deliveries started

EBITDA margin in line with ambition

SALES (MSEK) & EBITDA %



- Q1 EBITDA affected by implementation expenses and additional development costs
- Q2 EBITDA MSEK 19 (18), up 8%
- Compared to Q1;
 - MSEK 20 higher sales
 - 2 percentage points better gross margin
 - MSEK 4 improved expenses
- EBITDA margin 14.5%, in line with 2025 ambition

Investing for Growth in the USA

	Q2	Q2	YTD	FY
MSEK	2023	2022	2023	2022
Software platforms FLUX, Xilium and Puls	7	5	14	10
Fixed assets in operations	17	0	31	3
Other intangible and tangible fixed assets	3	2	4	3
Total investments	26	7	49	16

- We operate full Managed Services business model in U.S. market
- Own, install, maintain and operate equipment to issue citations
- Investments listed as Fixed Assets in Operations
- YTD investments MSEK 31 (3), 63% of total investments
- Proof of successful expansion in critical U.S. market

Financial guidance for 2023 in sight

2023 Financial Guidance (MSEK)	Low	High
Revenue	550	650
EBITDA margin	10%	15%
EBITDA	55	98

- 1:80 reverse share split adopted by AGM in May 2023
- 2023 financial guidance to provide transparency to investors
- 22+23 YTD order intake of SEK 1.9 BN
- Financial guidance reaffirmed, based on;
 - Restart of deliveries to Saudi
 - Start of deliveries of large projects in Sweden and Netherlands
 - Roll-out of new programs in USA
 - Several smaller deliveries
 - Typically higher sales and EBITDA in H2
- 2023 financial guidance and 2025 ambition reaffirmed

AGENDA

FINANCIAL UPDATE

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- » Consolidated income statement
- » Analysis of the segments performance
- » Financial position



Consolidated Income Statement

	Apr - June	Apr - June	Jan - June	Jan - June
MSEK	2023	2022	2023	2022
System Sales	46	51	73	95
TRaaS Sales	87	74	173	143
Total Sales	133	124	246	238
Cost of goods sold	-77	-73	-145	-135
Gross profit	56	51	101	103
	42%	41%	41%	43%
Expenses	-50	-44	-104	-90
Operating profit	6	7	-3	13
	4%	6%	-1%	5%
Net financial items	1	5	-6	9
Profit before tax	7	12	-9	22
Tax	-3	-4	-1	-7
Profit for the period	4	9	-10	15

Q2

H1

TRaaS Sales
+17,5%

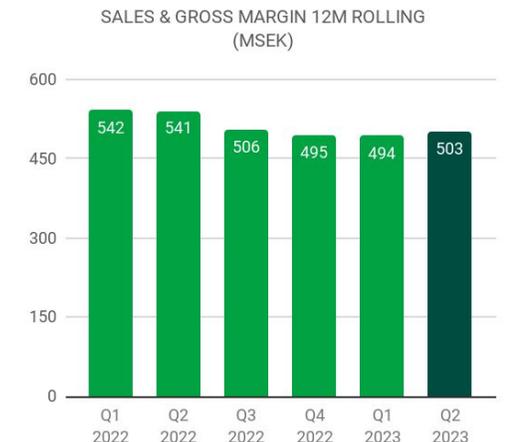
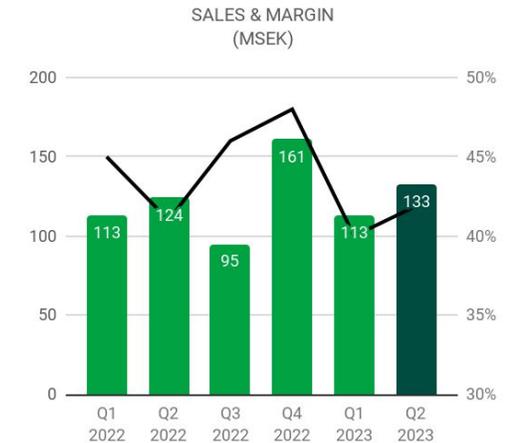
TRaaS Sales
+21%

Gross Margin
42%

Gross Margin
41%

EBIT
6MSEK

EBIT
-3MSEK



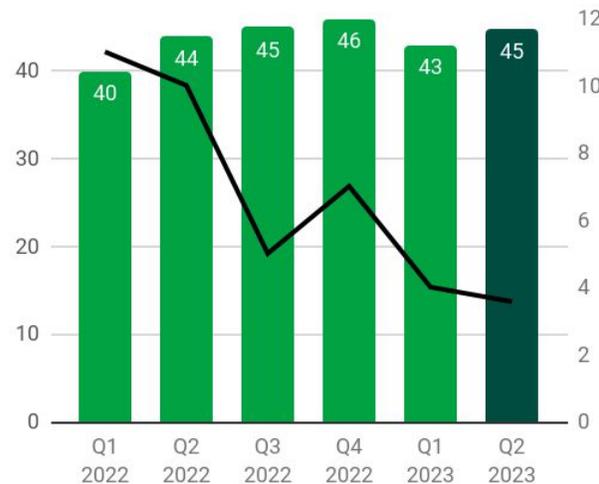
Segment Managed Services

- Order intake MSEK 77 (144), 3 new programs signed
- Sales Q2 MSEK 45 (44), 12MR up by 11% to MSEK 178
- EBITDA Q1 down to MSEK 4 (10) due to investments in growth

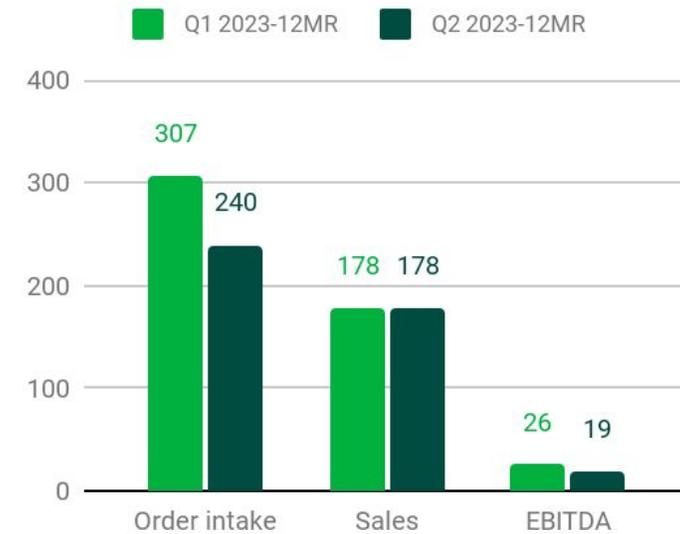
KEY FINANCIALS (MSEK)



SALES & EBITDA MANAGED SERVICES (MSEK)



KEY FINANCIALS (MSEK)



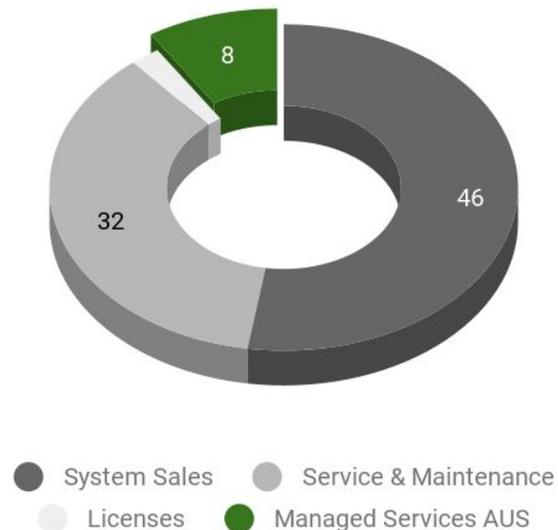
Segment System Sales

- Order intake at MSEK 93 (96), excluding a procurement award of MSEK 152
- Sales slightly higher at MSEK 88 (81), with more TRaaS
- EBITDA Q2 at MSEK 16 (8)

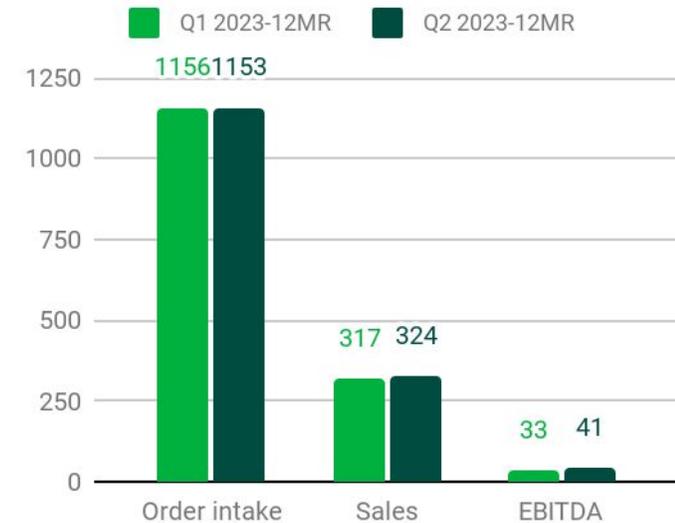
KEY FINANCIALS (MSEK)



SEGMENT SYSTEM SALES Q2-2023



KEY FINANCIALS (MSEK)

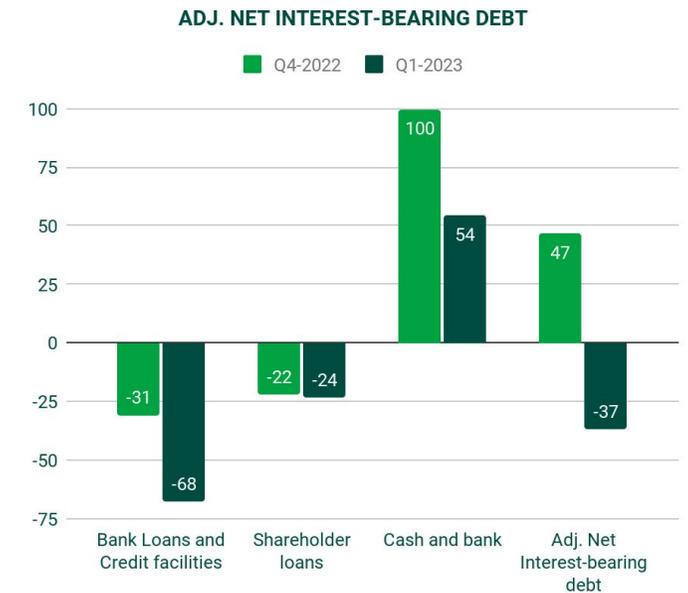
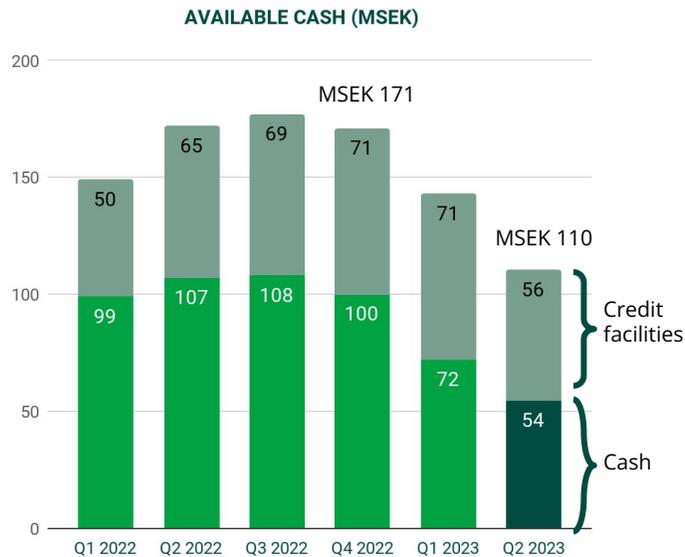


Financial Position

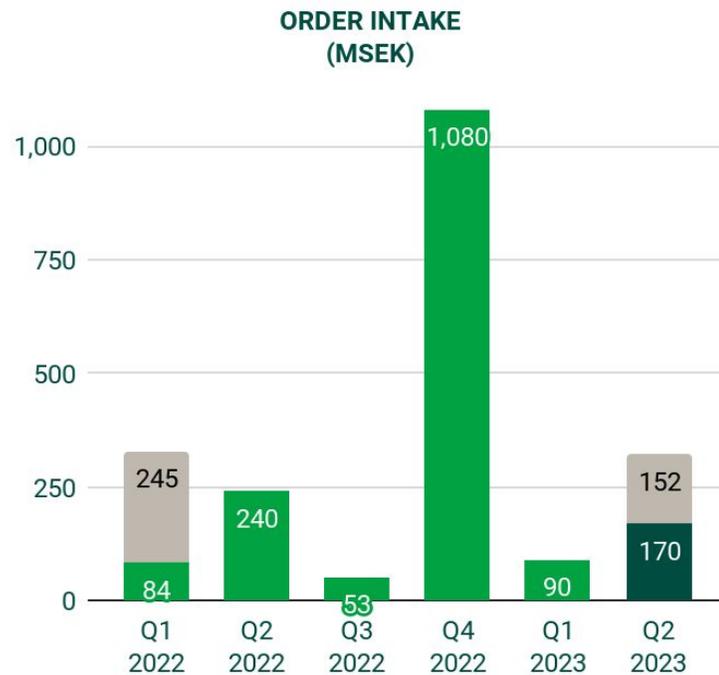


Solvency ratio
76%

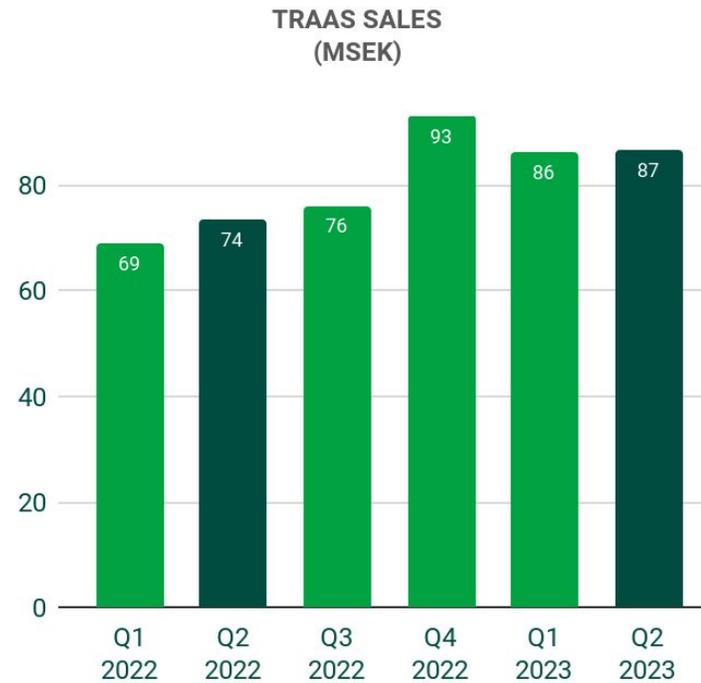
- Available cash at MSEK 110 (171 end of 2022)
- Investments in Software and Fixed Assets MSEK 49
- Buildup of inventories for signed contracts MSEK 50
- Net Debt MSEK 37



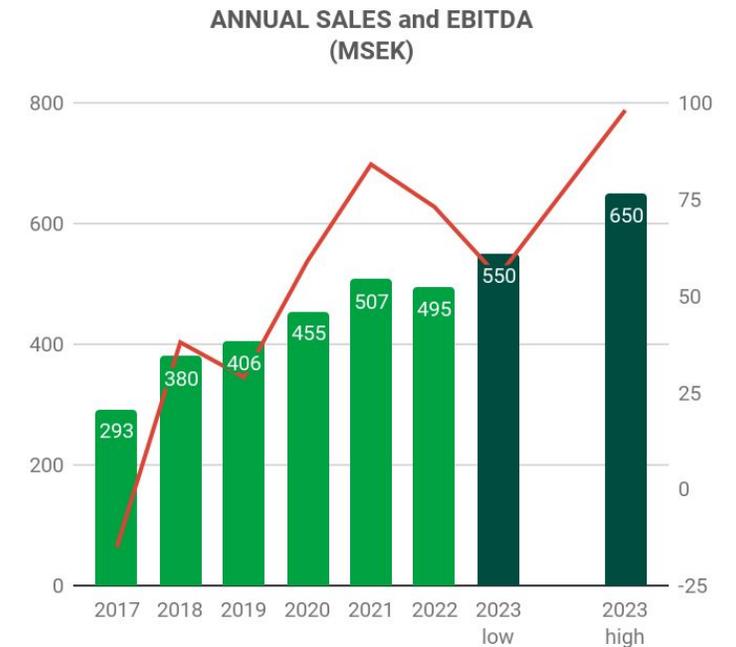
Outlook



Executing against highest order intake in history



TRaaS momentum continues



2023 Financial Guidance

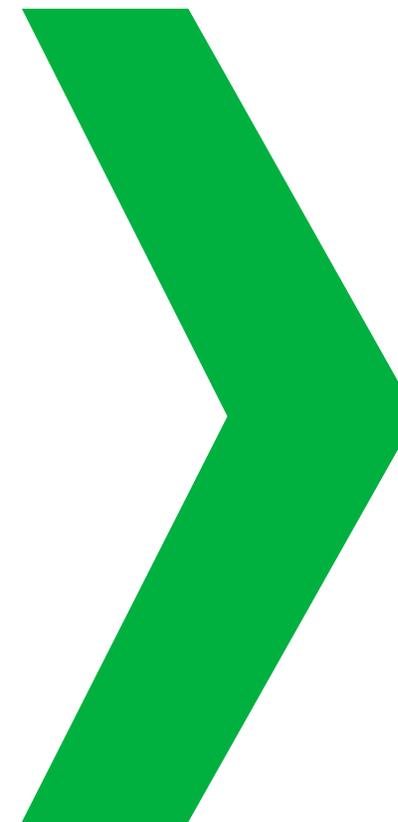
Q&A



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.