

Sensys Gatso Group AB Market Presentation Q4 and year-end 2022

Sensys
Gatso
Group

February 23, 2023

Tycker | SENS
Small Cap | Market Cap SEK Billion 1
Nasdaq Stockholm



AGENDA

Q4 and year-end 2022

MARKET PRESENTATION

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



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BUSINESS UPDATE

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- » Historic order intake of 1 Bn in the quarter
- » TRaaS Sales up 28% in the quarter
- » USA TRaaS sales up 21% in the quarter
- » Tasmania TRaaS project in Australia
- » New projects in LATAM
- » Saving Lives in Ghana
- » Gross margin, up by 7 percentage points



Historic order intake exceeding SEK 1 billion in the quarter



- Customer satisfaction
- SEK 1 Bn order intake in Q4
- Trafikverket 12 year contract worth MSEK 850
- 50% TrV contract is TRaaS
- 60% of SEK 1 Bn order intake is recurring TRaaS
- Full year 2022 order intake SEK 1.5 Bn
 - Three times higher compared to 2021
 - Highest order intake in our 65 year history
 - 58% is recurring TRaaS revenue

TRaaS sales up 28% in the quarter

MSEK	Q4	Q4	FY	FY
	2022	2021	2022	2021
System Sales	68	100	183	259
TRaaS: Service & Maintenance	36	33	123	113
TRaaS: Licenses	2	1	4	5
TRaaS: Managed Services	56	39	185	129
Total Sales	161	173	495	507
Of which TRaaS:	93	72	312	248
TRaaS % of total Sales:	58%	42%	63%	49%

- Net sales in Q4 MSEK 161 (173)
- 2022 total sales MSEK 495 (507)
- TRaaS sales in Q4 MSEK 93 (72), up 28%
- 2022 TRaaS sales MSEK 312 (248), up 26%
- TRaaS sales in 2022 is 63% of total sales
- Focus on TRaaS is paying off

USA TRaaS sales up 21% in the quarter



- Main contributor to TRaaS sales growth is USA
- USA TRaaS sales in Q4 MSEK 476 (39), up 21%
- Full year USA TRaaS sales MSEK 176 (129), up 36%
- Solid baseline revenue to support further growth in USA with new leadership a new strategic plan

First revenues from our Tasmania TRaaS project in Australia



- 3 year TRaaS contract of MSEK 74
- SGG sensor technology, deployed in vehicles, operated by our staff
- Hosted adjudication system based on Puls and Xilium software
- In Q4 MSEK 9 contribution to TRaaS sales
- Significant TRaaS contract outside of the USA

New projects in LATAM



- Strong Sensys Gatso brand name and global delivery experience
- Uruguay project worth MSEK 9, fully delivered in Q4
- Three new projects in Ecuador, worth MSEK 25, all delivered in Q4
- Working together with municipalities to start our business in Costa Rica

Saving lives in Ghana

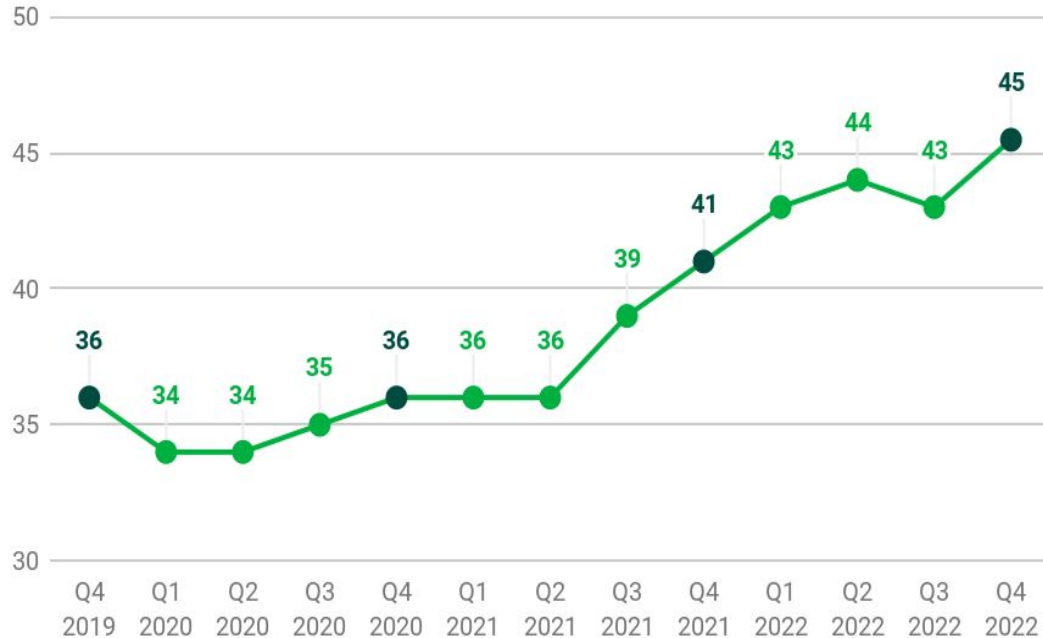


- 800 MSEK, 11 year contract between Ghana government and our 40% joint venture NTML
- Saving lives by changing behaviour in traffic;
- 3'000 fatalities and 16,000 injuries in 2021
- Cost to society 1.6% of GDP
- Full TRaaS program: design, build, finance, operate and maintain a national road safety program
- 40% profit share for SGG
- Contribution to revenue expected in second half of 2024

Gross Margin up 7 percentage points in the quarter



GROSS MARGIN 12M ROLLING (%)



- Gross margin Q4: 49% , up 7 percentage points from 42%
- Full year 2022 gross margin: 46%, up 5 percentage points from 41%
- Rolling 12-month gross margin: 45%, up 2 percentage points from 43% in Q3

AGENDA

FINANCIAL UPDATE

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



Consolidated Income Statement

	Oct - Dec	Oct - Dec	FY	FY
MSEK	2022	2021	2022	2021
System Sales	68	100	183	259
TRaaS Sales	93	72	312	248
Total Sales	161	173	495	507
Cost of goods sold	-83	-101	-270	-301
Gross profit	78	72	225	206
	48%	42%	45%	41%
Expenses	-56	-45	-194	-160
Operating profit	22	27	31	46
	14%	16%	6%	9%
Net financial items	-10	0	2	1
Profit before tax	12	28	33	47
Tax	-2	-9	-13	-12
Profit for the period	10	19	20	35

Q4

**TRaaS
Sales**
+29%

**Gross
Margin**
48%

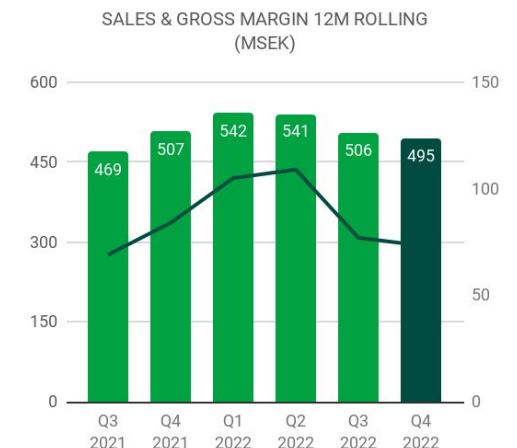
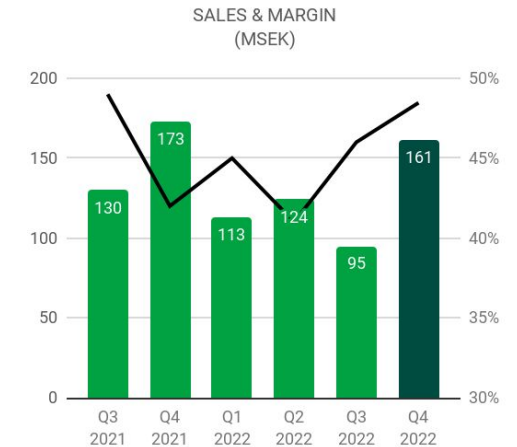
**EBIT
Margin**
14%

YTD

**TRaaS
Sales**
+26%

**Gross
Margin**
45%

**EBIT
Margin**
6%

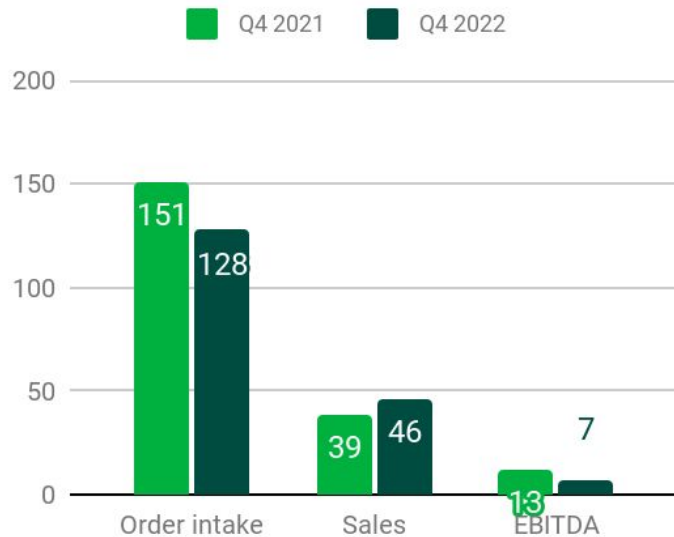


Segment Managed Services

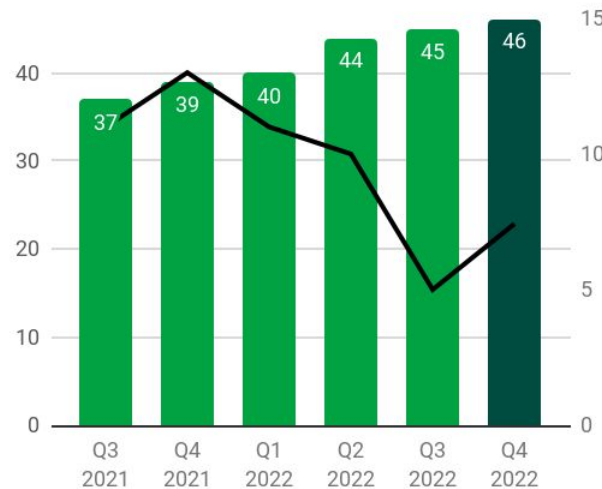
- Sales Q4 is up by 18% to MSEK 46. Full year at MSEK 175, up 35%
- Order intake Q4 at MSEK 128. Full year increased by 55% to MSEK 298
- EBITDA Q4 at MSEK 7, Full year increased by 22% to MSEK 33

FY EBITDA Margin
19%

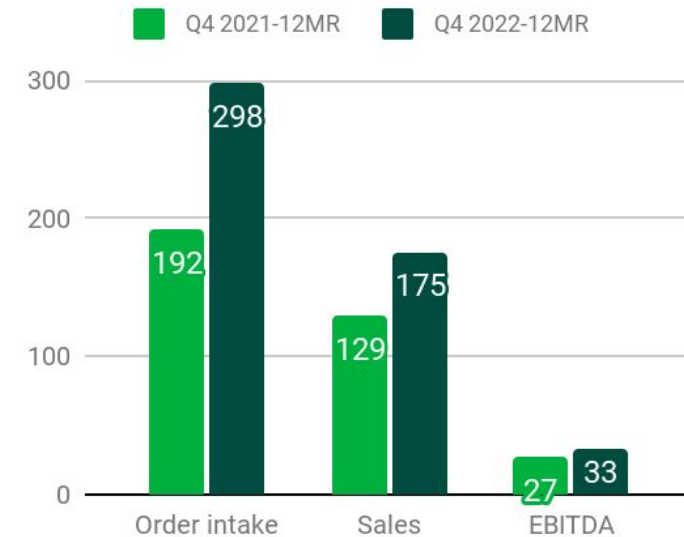
KEY FINANCIALS (MSEK)



SALES & EBITDA MANAGED SERVICES (MSEK)



KEY FINANCIALS (MSEK)

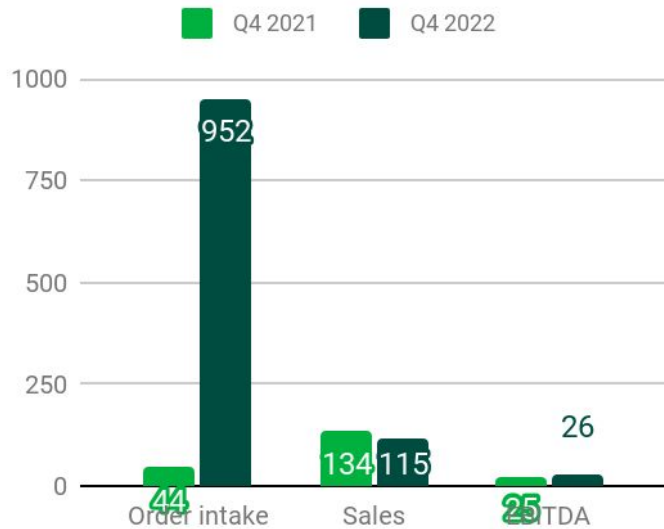


Segment System Sales

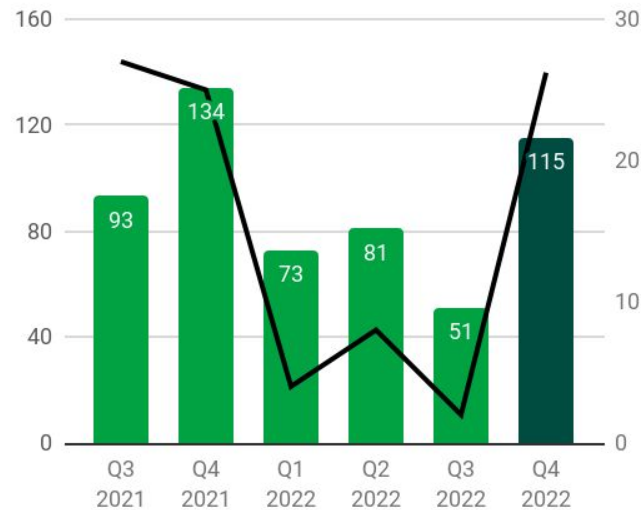
- Strong Q4 sales at MSEK 115, Full year at MSEK 319
- Order intake Q4 at MSEK 952, Full year at approx SEK 1,2BN
- EBITDA Q4 at MSEK 26, Full; year at MSEK 40

**FY EBITDA
Margin
12.5%**

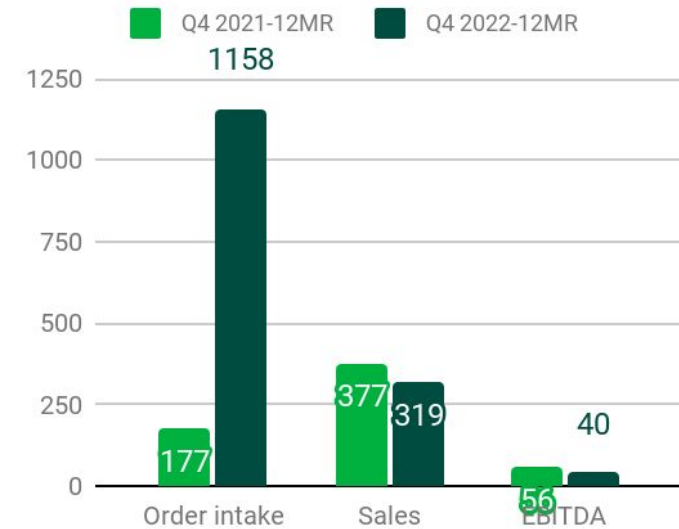
KEY FINANCIALS
(MSEK)



SALES & EBITDA SYSTEM SALES
(MSEK)



KEY FINANCIALS
(MSEK)

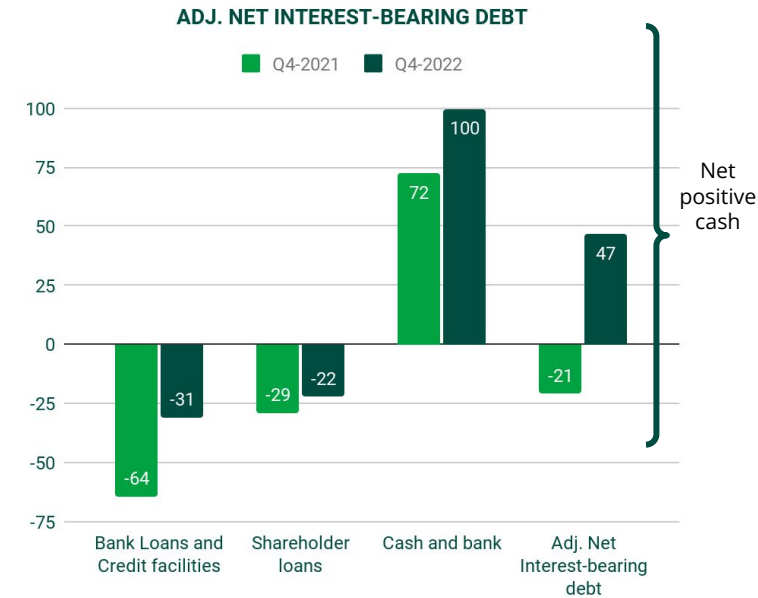
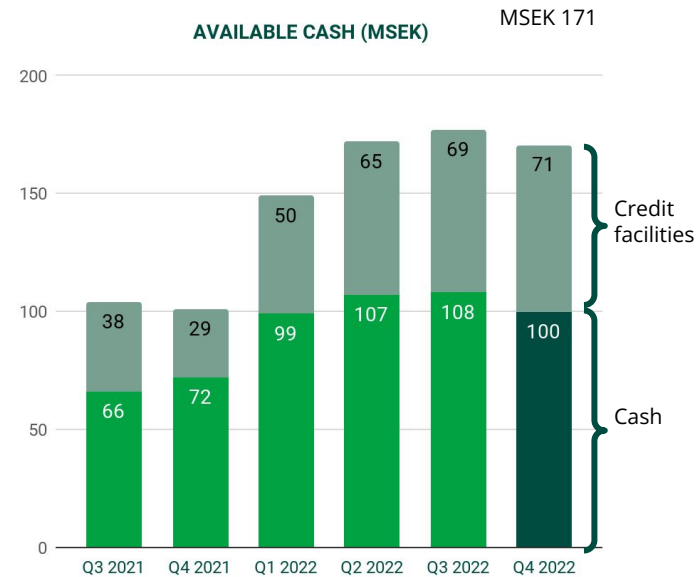
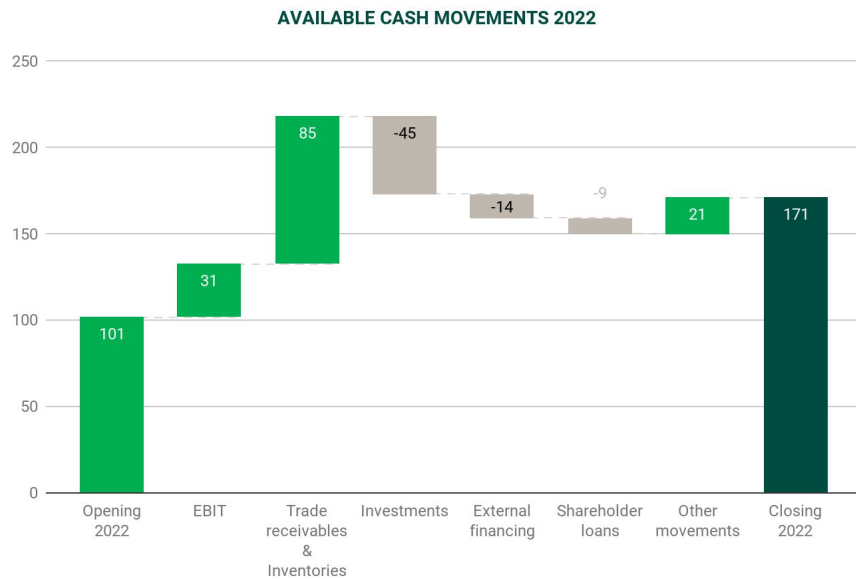


Financial Position



Solvency ratio
76%

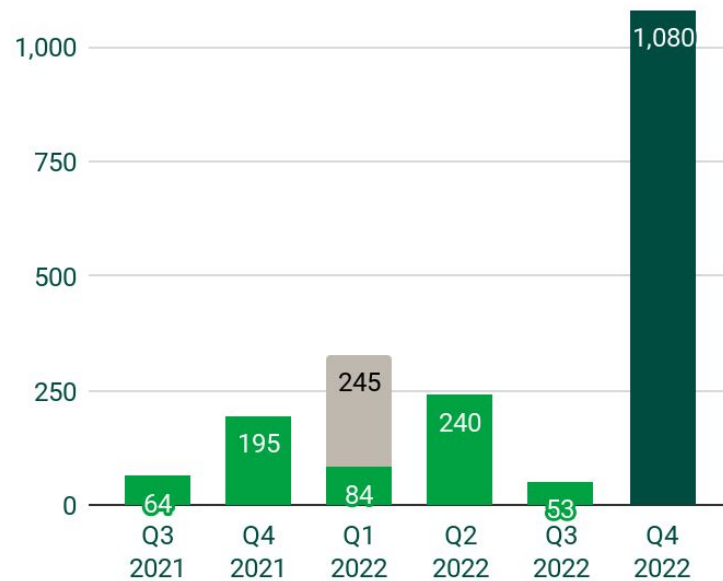
- Available cash increased by MSEK 70 to MSEK 171 due to customer payments
- Repayments on Shareholder loans and other financing MSEK 23
- Investments in Software and Fixed Assets MSEK 45 (42)
- Net positive cash position MSEK 47 (-21)



Outlook

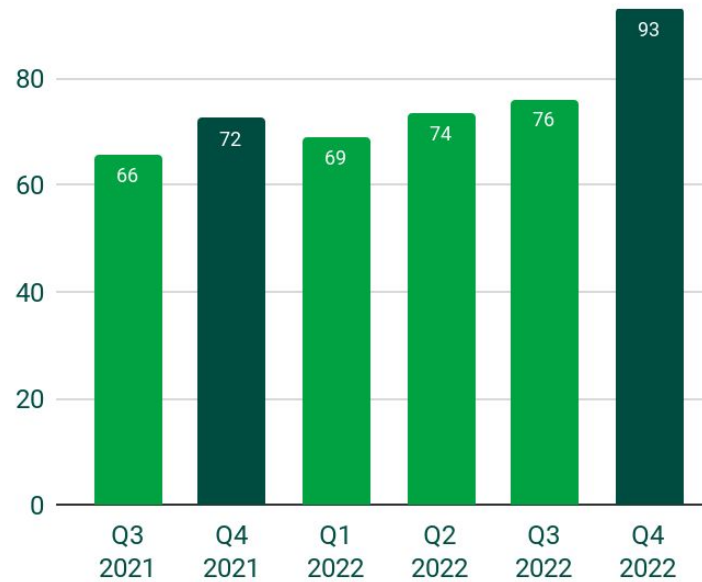


ORDER INTAKE (MSEK)



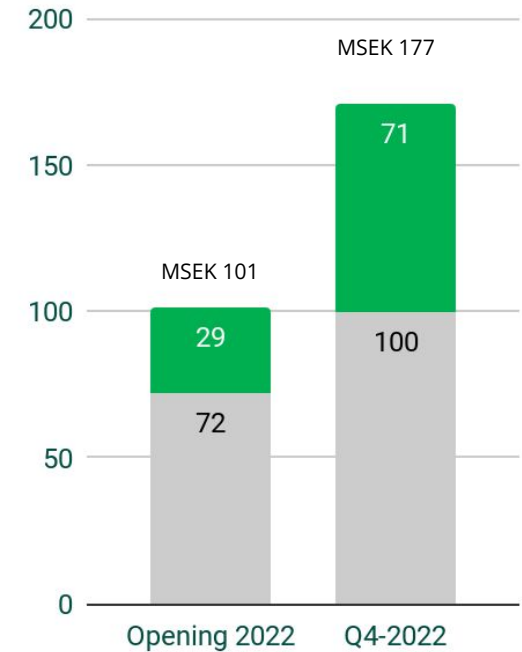
Highest order intake in single year

TRAAS SALES (MSEK)



TRaaS momentum continues

AVAILABLE CASH



Strong financial position

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.