

Sensys Gatso Group AB Market Presentation Interim Report Q3 2024

Sensys
Gatso
Group

November 15, 2024
10:00 CET

Ivo Mönnink, CEO
Simon Mulder, CFO

Ticker | **SGG**
Nasdaq Small Cap Stockholm

AGENDA

2024 Q3 - MARKET PRESENTATION

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



BUSINESS UPDATE

Delivering on our Ambition

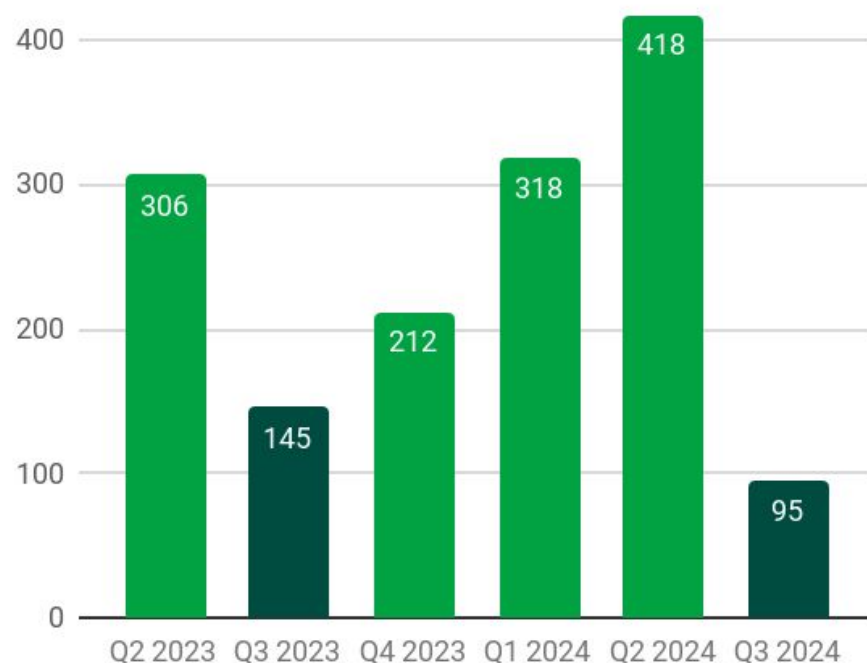
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- » Order Intake
- » Large backlog in home markets SEK 1 billion
- » TRaaS Revenue up 15%
- » Legislative changes in Iowa
- » Update Saudi customer
- » Available Cash increased to MSEK 295
- » Our margin, stable at 37%



YTD 13 new contracts in USA

ORDER INTAKE AND PROCUREMENT AWARDS



- Order Intake MSEK 95 (145) → -/- 35%
- New TRaaS Managed Services contract in Pennsylvania, Connecticut with Montgomery Town, worth MSEK 25
- YTD: Order Intake MSEK 831 (541) → 55% growth
- YTD: 13 new contracts in USA
 - Six new cities, Seven renewals
 - MSEK 576, or 69% of total order intake
- Average revenue per contract MSEK 44

SEK 1BN backlog from home markets



SEK 850 million



SEK 400 million

SEK 1,250 million

- Sweden;
 - test program completed Q1 2025
 - 5 year roll-out starts H1 2025

- Netherlands
 - 2 year roll-out started in Q4 2023
 - MSEK 145 of MSEK 200 systems sales delivered YTD (73%)

- Combined contracts in home markets:
 - 12 % or MSEK 150 delivered
 - 88% or SEK 1.1billion still in backlog

TRaaS Revenue 70% of total revenue

Q3 2024

Segments		
Nature (MSEK)	System Sales	Managed Services
System Sales	42	
TRaaS: Service & Maintenance & Licences	45	
TRaaS: Managed Services	12	42
	99	42

99

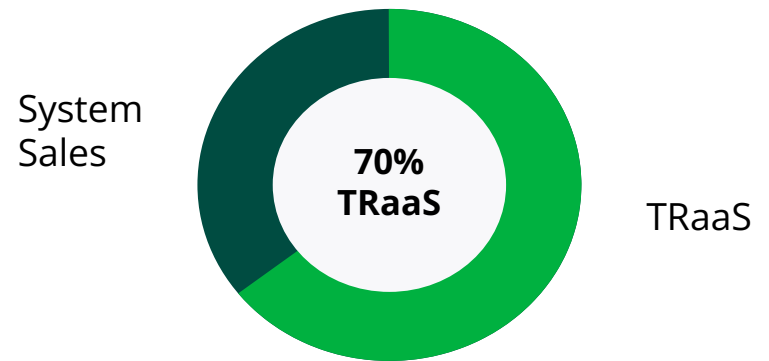
Q3 2023

Segments		
Nature (MSEK)	System Sales	Managed Services
System Sales	71	
TRaaS: Service & Maintenance & Licences	32	
TRaaS: Managed Services	10	45
	112	45

86

+15%

- Total Revenue MSEK 141 (157) → -10%
- System Sales MSEK 42 (71) → -40%
- TRaaS Revenue MSEK 99 (86) → +15%
- TRaaS recurring revenue is 70% of total Revenue
- YTD TRaaS Managed Services MSEK 172 (156) → +10%
- Part of newly signed contracts in USA start contributing by end of 2024



Legislative changes in Iowa



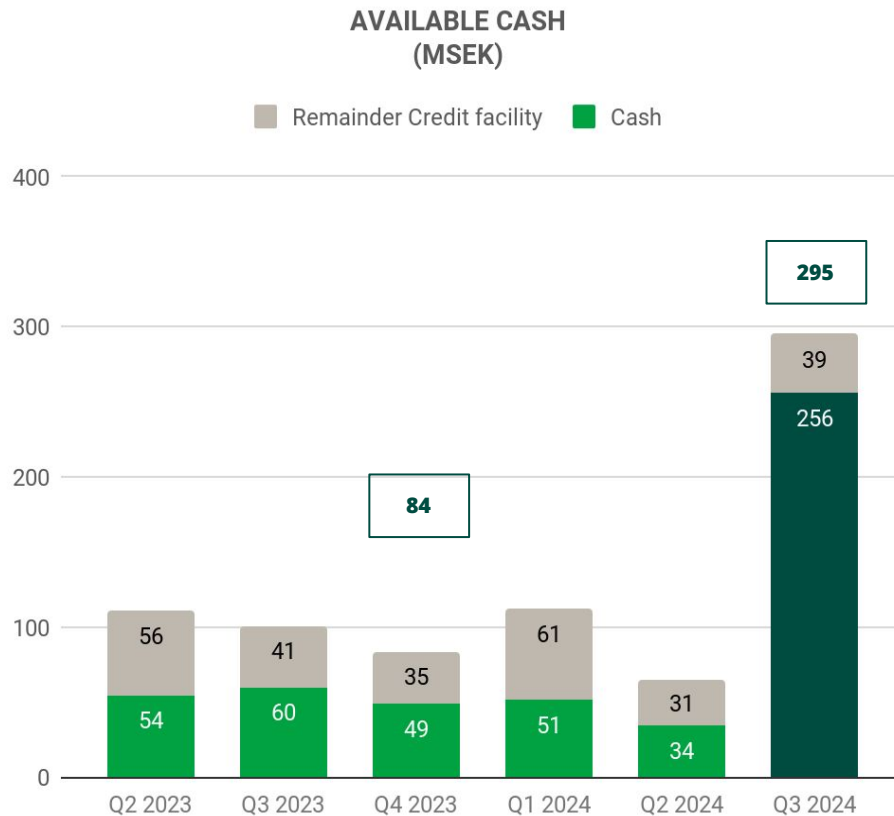
- Unexpected new guidelines for Iowa ATE programs
- Permitted locations, maximum fine amounts, speed thresholds
- Programs paused mid May - late June
- SGG systems/locations permitted for ATE to continue:
 - 7 out of 75 fixed speed
 - 95 out of 148 mobile speed locations
 - 100% of 52 Red Light locations
- Cities appeal the decision of Iowa Department of Transportation
- SGG works with cities to develop mitigation plan

Next phase in relationship Tahakom, Saudi Arabia



- Memorandum of Understanding signed in April
- In-vehicle, Fixed Red light and Speed solutions technically qualified
- Framework agreements signed for all solutions
- Base established for future purchase orders (2025-2027)

Successful Bond issue in September

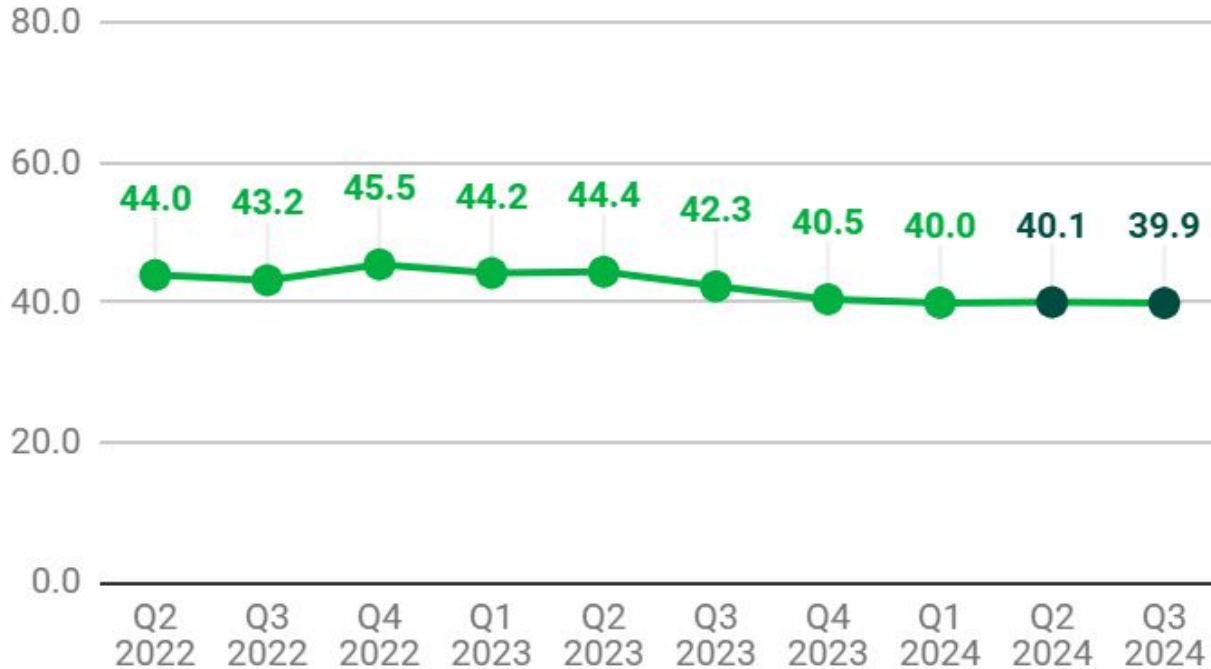


- EUR 30 million bond issued in September
 - 4 year tenor
 - Unsecured
 - Interest rate of 3-m Euribor + 4.75%
- Net proceeds to;
 - Refinance existing debt
 - Invest in working capital and Fixed Assets in operation in USA
- Free available cash increased from MSEK 84 at beginning of 2024 to MSEK 295
- Bond is admitted for trading at Nasdaq Stockholm

12-M rolling Gross Margin 40%



GROSS MARGIN 12M ROLLING (%)



- Gross Margin 37% (38%)
- Higher contribution of system sales from Dutch project
- System sales deliveries in initial phase of projects in Netherlands and Sweden at lower margins
- Customer acceptance → Service & Maintenance part of contract commences at higher margins.
- EBITDA MSEK 12 (19) → - 37%
- YTD EBITDA MSEK 40 (40)

AGENDA

FINANCIAL UPDATE

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



Consolidated Income Statement



MSEK	Q3 2024	Q3 2023	Q3 YTD 2024	Q3 YTD 2023	12MR Q3 2024	12MR Q2 2024
System Sales Revenue	42	71	163	144	279	308
TRaaS Revenue	99	86	271	259	375	363
Total Revenue	141	157	433	403	654	670
Cost of goods sold	-88	-97	-264	-242	-393	-402
Gross profit	53	60	169	161	261	269
	37%	38%	39%	40%	40%	40%
Expenses	-49	-52	-161	-156	-219	-222
Other operational costs	-3	0	-1	1	0	2
Operating profit	1	8	8	5	42	49
	1%	5%	2%	1%	6%	7%

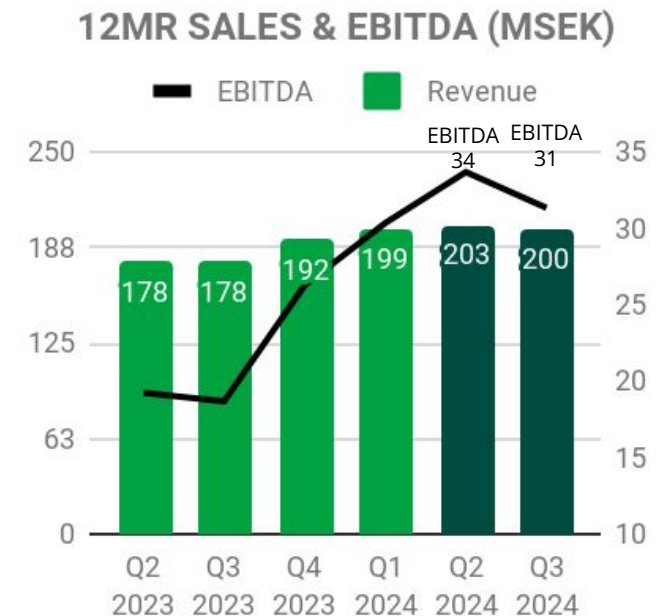
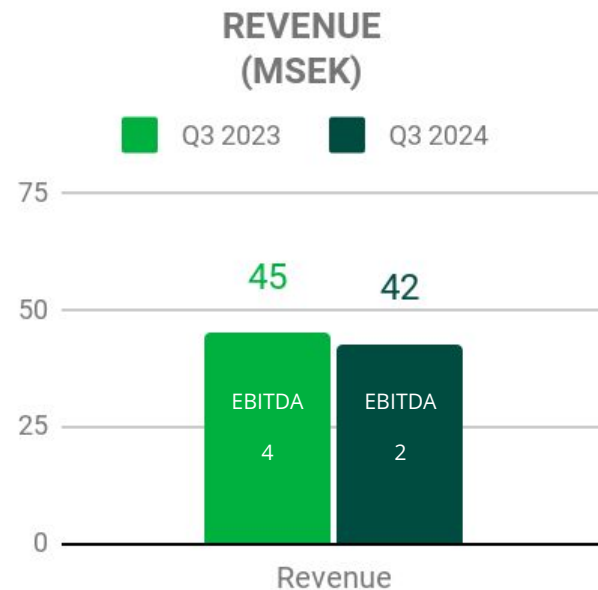
Q3	Q3YTD	12MR
Revenue	Revenue	Revenue
-10%	+8%	-2%
TRaaS	TRaaS	TRaaS
+14%	+5%	+3%
Gross Margin	Gross Margin	Gross Margin
37%	39%	40%
EBIT	EBIT	EBIT
1	8	42



Segment Managed Services

Stable performance of the segment

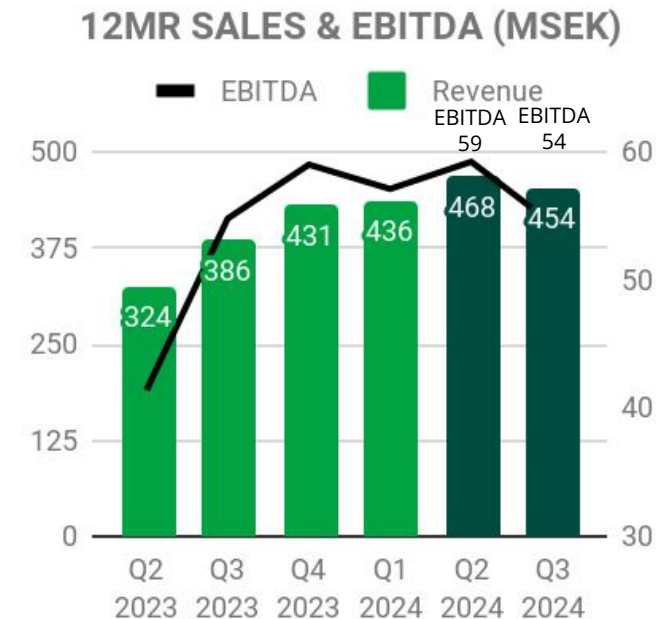
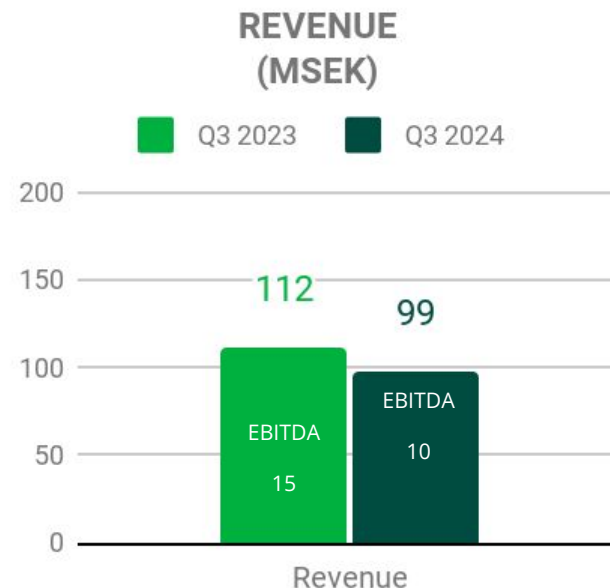
- Contract signings Q3 2024 MSEK 25 (MSEK 22)
- Sales 7% lower mainly due to lowa impact, 12MR 1% lower
- EBITDA for the quarter MSEK 2 (4), 12MR EBITDA MSEK 31 (34) 9% lower



Segment System Sales

Delivering on the Dutch Tender

- Q3 order intake in the segment mainly driven by repeat orders MSEK 70 (123)
- Revenue at MSEK 99, 12% lower compared to Q3 2023, 12MR revenue 3% lower
- EBITDA at MSEK 10 compared to MSEK 18 in Q2 2023, 12MR EBITDA MSEK 54 (59) 9% lower

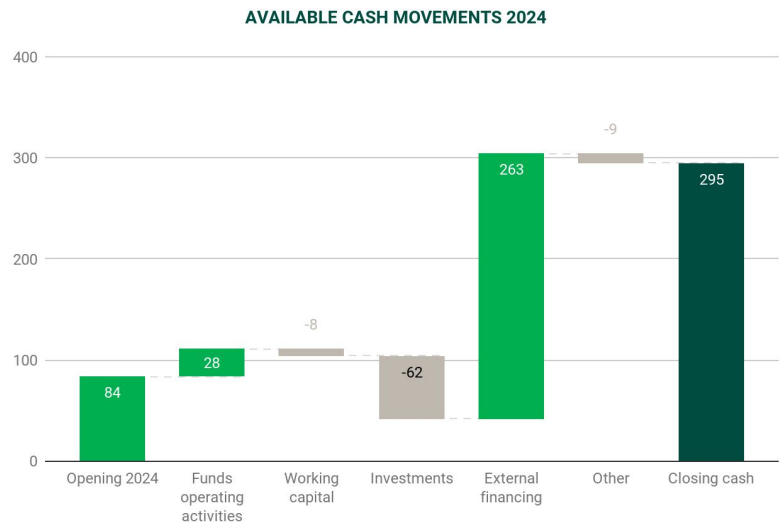


Financial Position

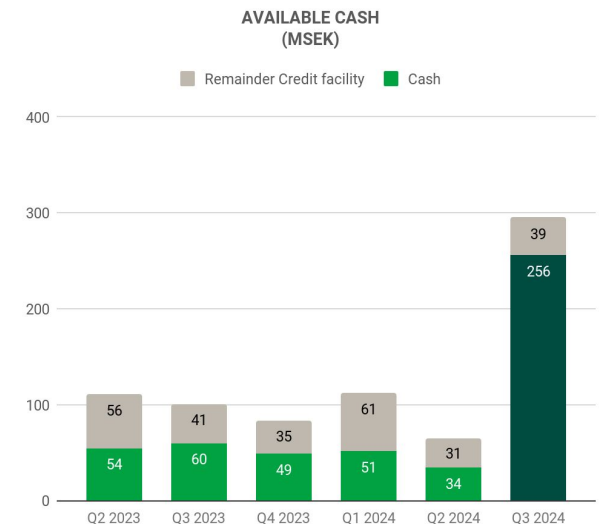


Capital raised for investments in future growth

- Available cash at MSEK 295 (84 end of 2023)
- Euro Bond issue of EUR 30 million
- Investments in fixed assets amounted MSEK 62 YTD



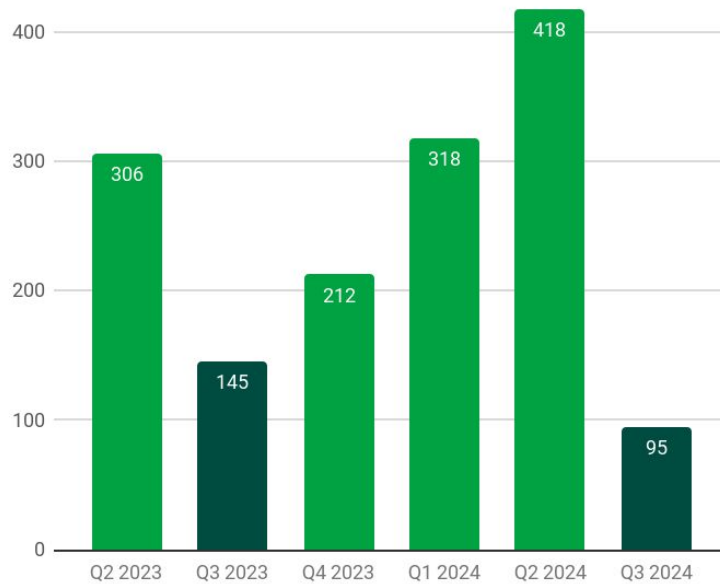
MSEK	30 Sep 2024	30 Sep 2023	31 Dec 2023
Lease liabilities	21	21	22
Bond	332	0	0
Bank Loans and Credit facilities	61	110	113
Shareholder loans	0	23	22
Cash and bank	-256	-60	-49
Net Interest-bearing debt	159	94	109



Outlook

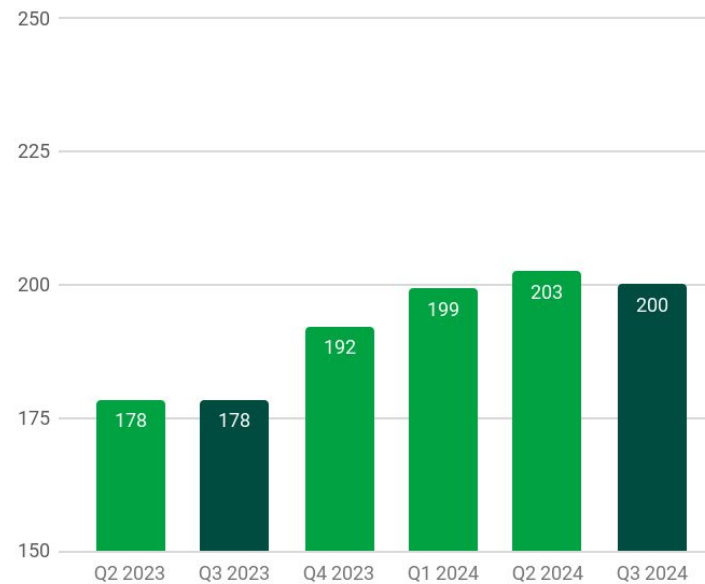


ORDER INTAKE AND PROCUREMENT AWARDS (MSEK)



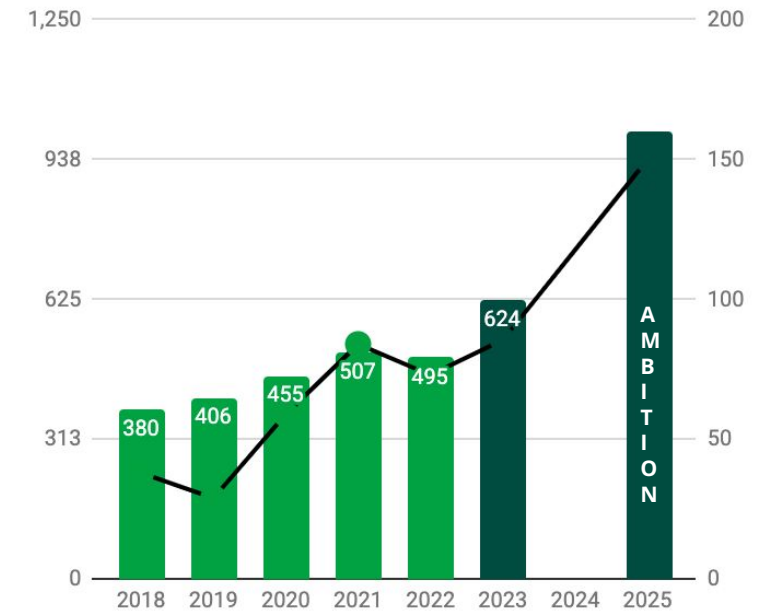
Executing on 1bn backlog in home markets

12MR TRaaS US SALES (MSEK)



US TRaaS momentum

ANNUAL SALES & EBITDA (MSEK)



Delivering sustainable, profitable growth

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.