

Sensys Gatso Group AB Market Presentation Interim Report Q2 2024

Sensys
Gatso
Group

August 23, 2024
10:00 CET

Ivo Mönnink, CEO
Simon Mulder, CFO

Ticker | **SGG**
Nasdaq Small Cap Stockholm

AGENDA

2024 Q2 - MARKET PRESENTATION

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

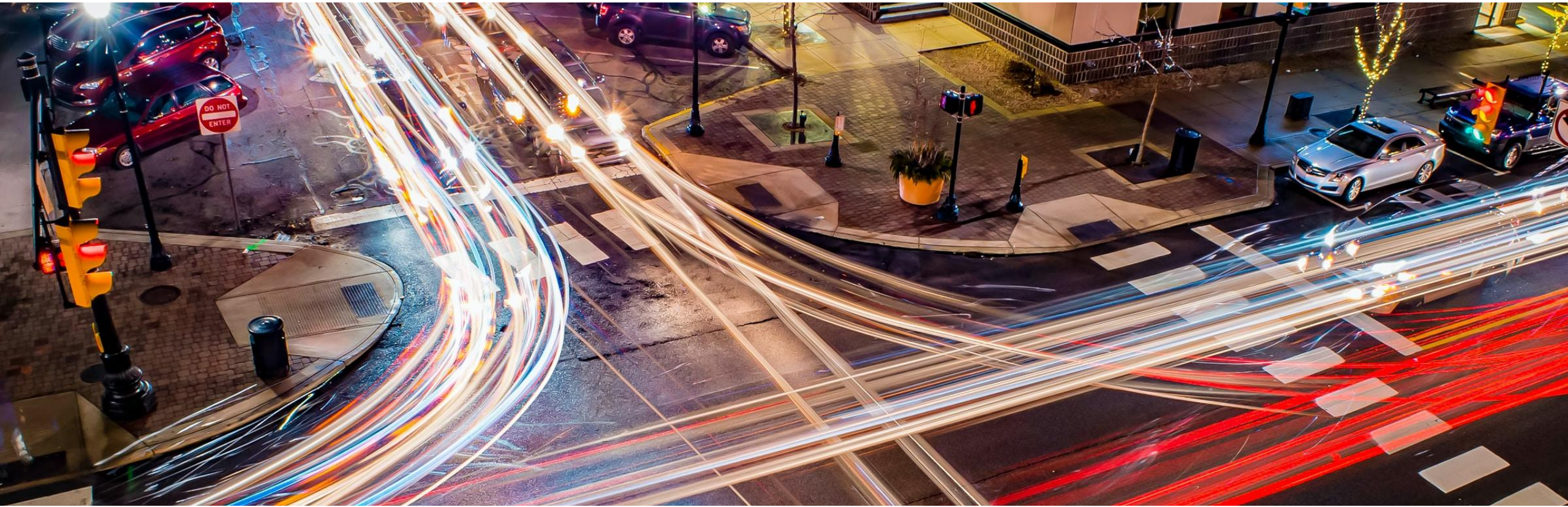


BUSINESS UPDATE

Delivering on our Ambition

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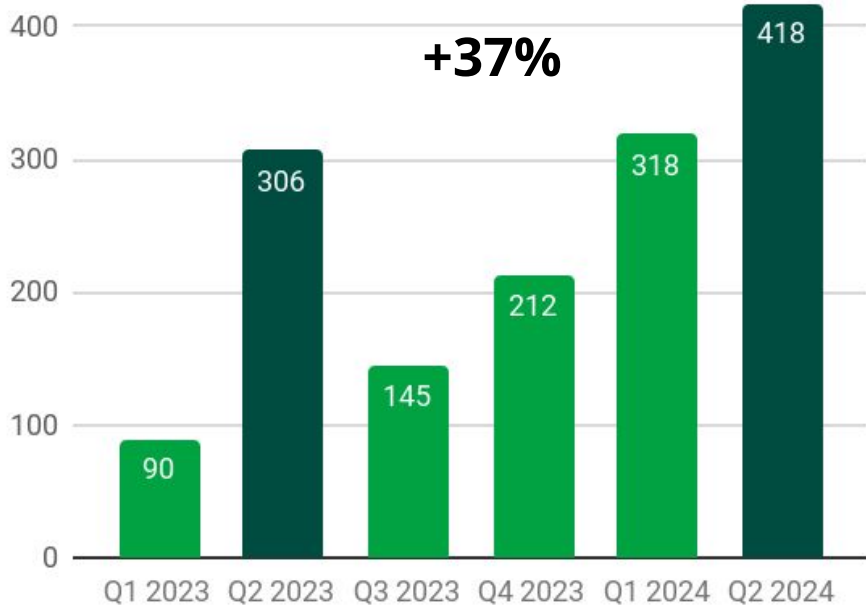
- » Order Intake +37%
- » Large backlog in home markets SEK 1.14 billion
- » Revenue up 26%
- » Legislative changes in Iowa
- » Update Saudi customer
- » Investments in working capital for large projects
- » EBITDA +28%



Order Intake +37%



ORDER INTAKE AND PROCUREMENT AWARDS (MSEK)



- Order Intake MSEK 418 (306) → 37% growth
- Order Intake TRaaS Managed Services MSEK 276 (77) → 260% growth
- First contract in new state Connecticut with Town of Stratford, worth MSEK 73
- H1: Order Intake MSEK 736 (396) → 86% growth
- H1: 12 new contracts in USA
 - Five new cities, Seven renewals
 - MSEK 551, or 75% of total order intake
- Increased sales efforts in US are paying off

Large backlog from home markets



**SEK 850
million**



**SEK 400
million**

**SEK 1,250
million**

- Two large contracts in home markets in 2022
 - Sweden MSEK 850
 - Netherlands MSEK 400
- Sweden 5 year roll-out starts Q3 2024
- Netherlands 2 year roll-out started in Q4 2023
- 9 % or MSEK 113 delivered
91% or SEK 1.14 billion still in backlog

Revenue is up 26%

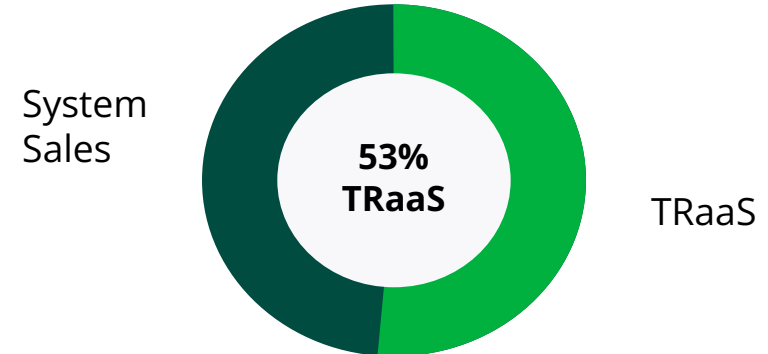


Segments			
Nature (MSEK)	System Sales	Managed Services	Total
System Sales	79		79
TRaaS: Service & Maintenance & Licences	29		29
TRaaS: Managed Services	11	48	59
	119	48	167

Segments			
Nature (MSEK)	System Sales	Managed Services	Total
System Sales	46		46
TRaaS: Service & Maintenance & Licences	34		34
TRaaS: Managed Services	8	45	53
	88	45	133

+26%

- Total Revenue MSEK 167 (133) → 26% growth
- System Sales MSEK 119 (88) → 35% growth
- TRaaS Managed Services MSEK 59 (52) → 13% growth
- YTD TRaaS Managed Services MSEK 118 (102) → 16% growth
- Newly signed contracts in USA start contributing by end of 2024



Legislative changes in Iowa have limited revenue impact on 2024



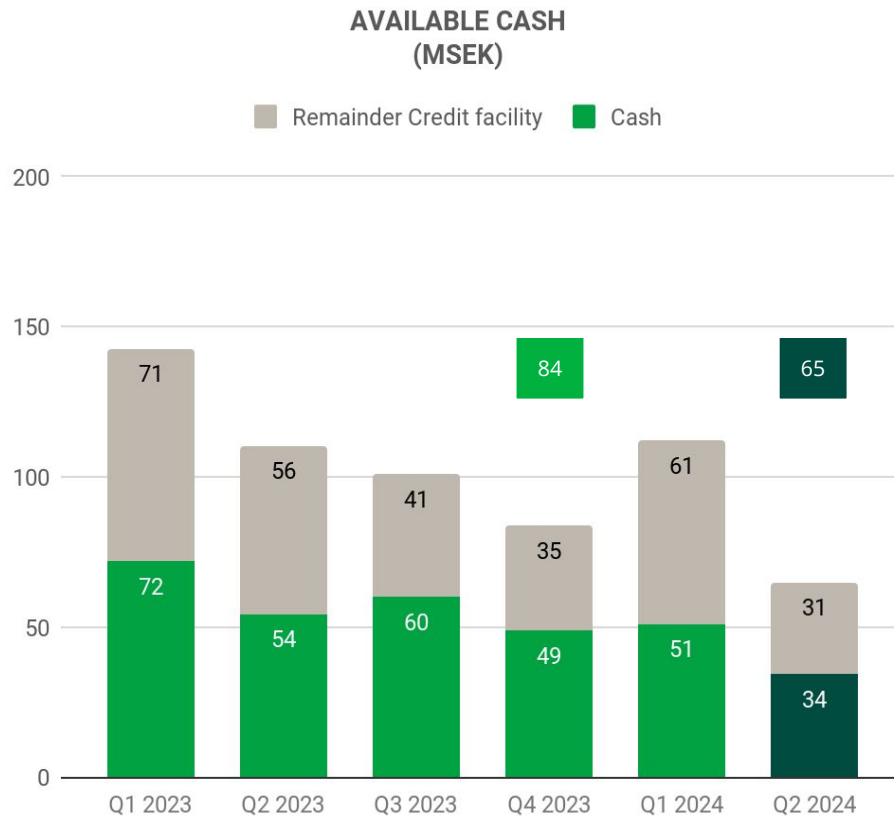
- New legal guidelines for Iowa ATE programs
- Permitted locations, maximum fine amounts, speed thresholds
- Programs paused mid May - late June
- Revenue impact 2024 on US entity is limited
- Pause on start of three new programs in Newton, Granger and Grinnell

New solutions technically qualified in Saudi



- Memorandum of Understanding signed in April
- Intensify strong partnership since 2016
- In-vehicle, Fixed Red light and Speed solutions technically qualified
- Possibility for a more in-depth relationship in the future

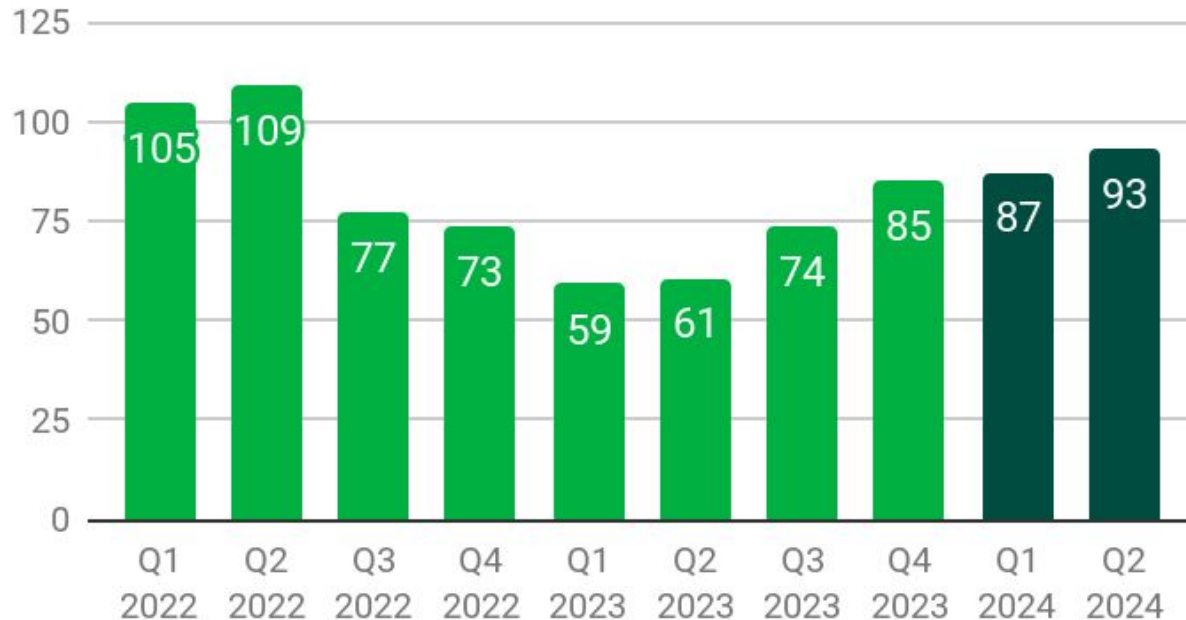
Big on-going projects increase working capital investments



- Available cash MSEK 65 (84)
- Investments in;
 - working capital for large Swedish and Dutch contracts
 - Fixed Assets in operation in USA
 - Software platforms
- Gradual improvement with roll-out of Swedish and Dutch projects

EBITDA up 28%

EBITDA 12M ROLLING
(MSEK)



- Gross Margin 42% (42%)
- Higher margins from system sales in Saudi
- 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.
- 12-M rolling Gross Margin 40%
- EBITDA MSEK 25 (19) → 28% growth
- YTD EBITDA MSEK 28.3 (20.7) → 37% growth
- 12-M rolling EBITDA MSEK 93 (87) → 7% growth

AGENDA

FINANCIAL UPDATE

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

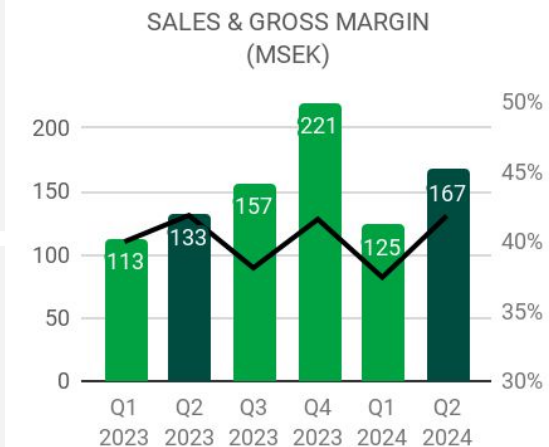


Consolidated Income Statement



MSEK	Q2 2024	Q2 2023	H1 2024	H1 2023	12MR Q2 2024	12MR Q2 2023
System Sales Revenue	79	46	120	73	308	274
TRaaS Revenue	88	87	172	173	363	361
Total Revenue	167	133	292	246	670	635
Cost of goods sold	-97	-77	-176	-145	-402	-381
Gross profit	70	56	117	101	269	254
	42%	42%	40%	41%	40%	40%
Expenses	-57	-50	-112	-104	-222	-215
Other operational costs	0	0	2	0	2	2
Operating profit	14	6	7	-3	49	41
	8%	4%	2%	-1%	7%	6%

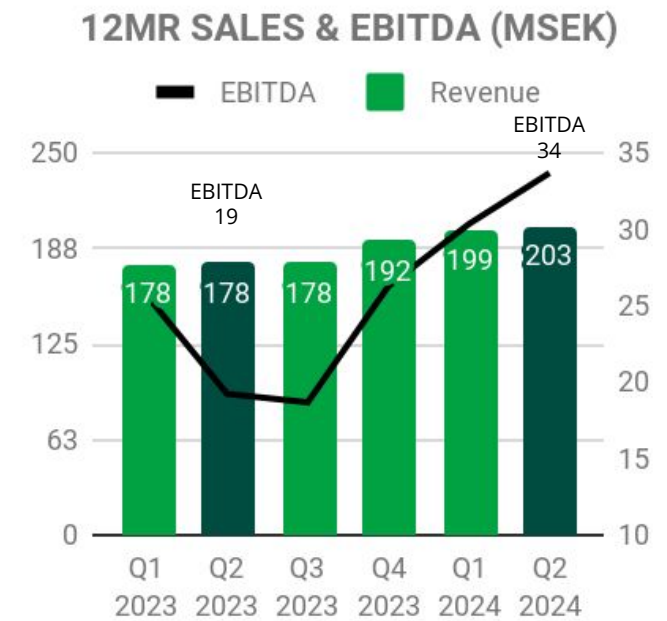
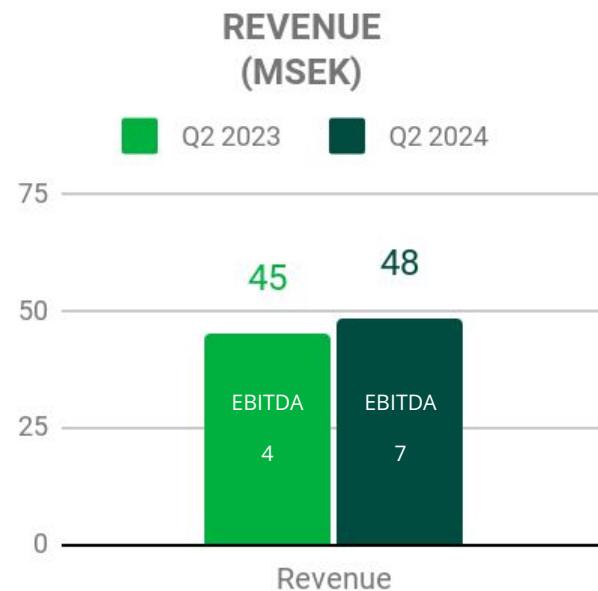
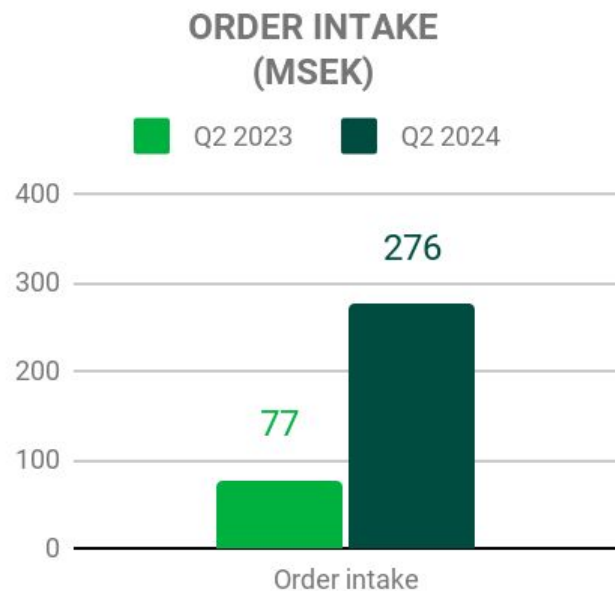
Q2	H1	12MR
Revenue	Revenue	Revenue
+26%	+19%	+5%
TRaaS	TRaaS	TRaaS
+2%	+0%	+0%
Gross Margin	Gross Margin	Gross Margin
42%	40%	40%
EBIT	EBIT	EBIT
14	7	49



Segment Managed Services

Q1 Revenue and EBITDA continue to grow

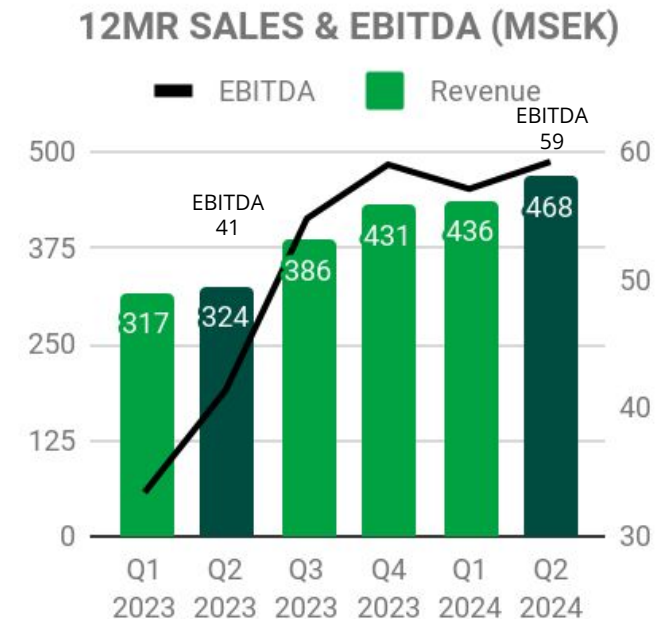
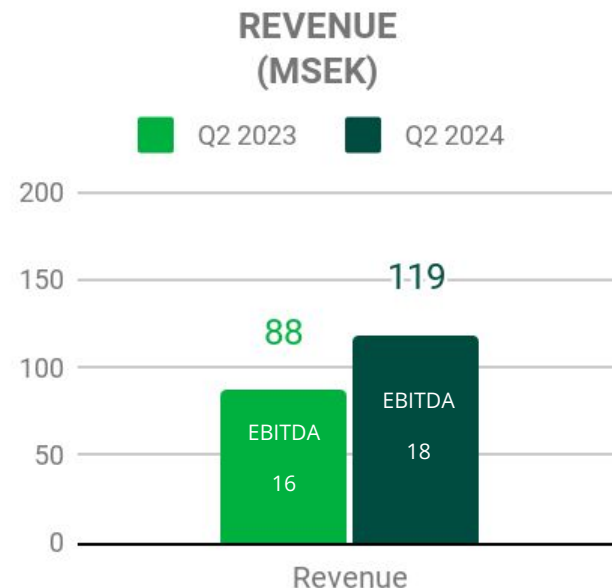
- Continued high activity contract signings in Q2 2024 MSEK 276 (MSEK 77)
- Sales growth MSEK 3 (6%) driven by new programs
- EBITDA MSEK 7 (4), 12MR EBITDA MSEK 34 (19)



Segment System Sales

Delivering on the Dutch Tender

- Q2 order intake in the segment mainly driven by repeat orders MSEK 142 (93)
- Revenue at MSEK 119, 35% growth compared to Q2 2023, 12MR 44% revenue growth
- EBITDA at MSEK 18 compared to MSEK 16 in Q2 2023, 12MR EBITDA growth 44%

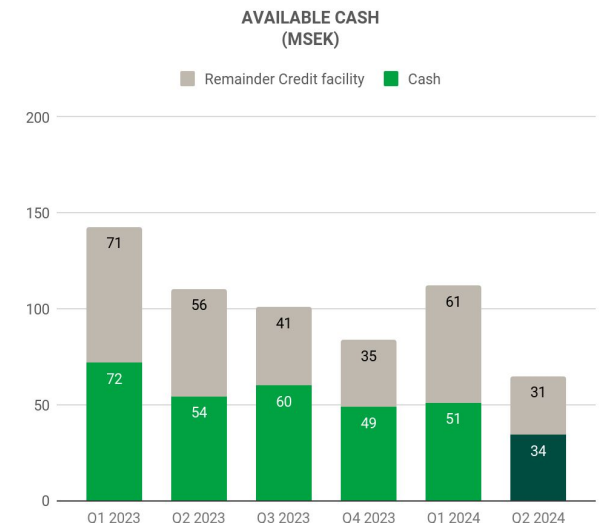
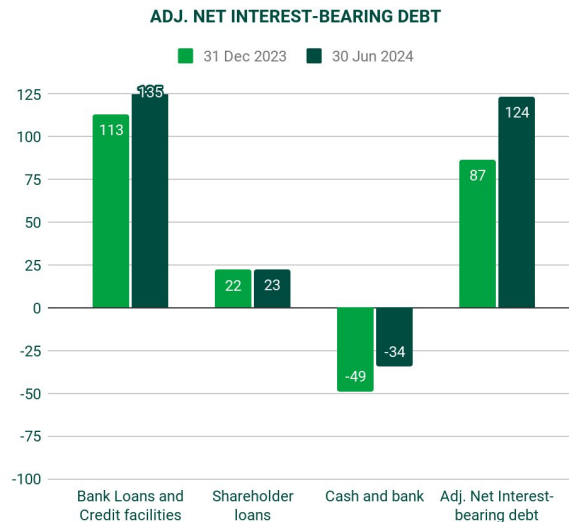
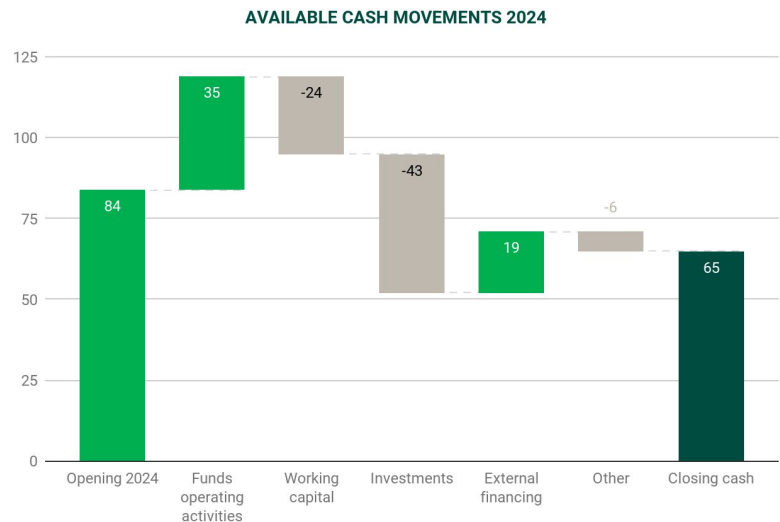


Financial Position



Available cash temporarily impacted by big project financing and investments in USA

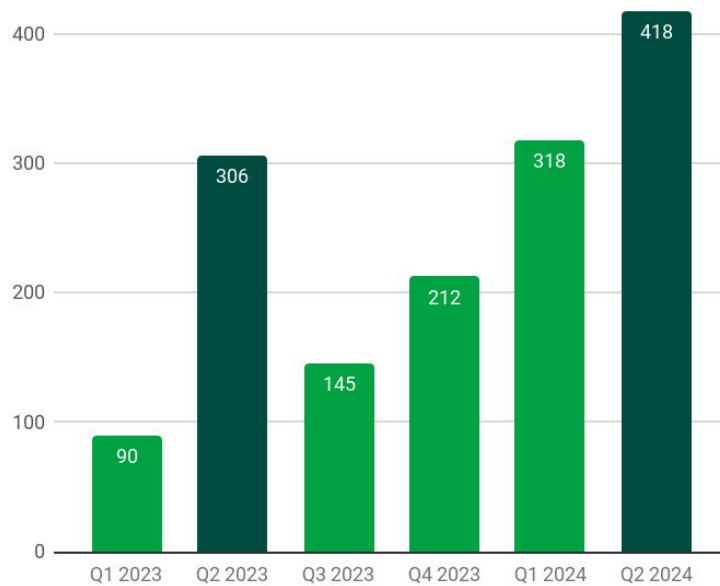
- Available cash at MSEK 65 (84 end of 2023)
- Working capital increase MSEK 24; Dutch Tender in full roll-out phase
- Investments in fixed assets amounted MSEK 43 for H1



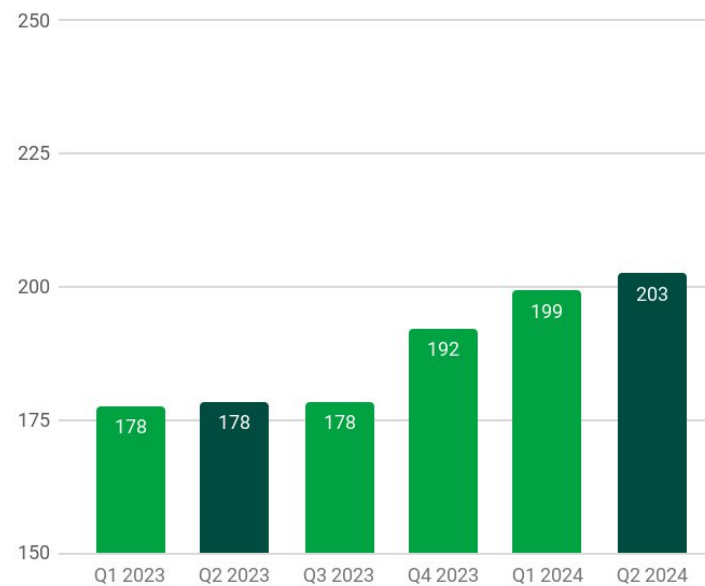
Outlook



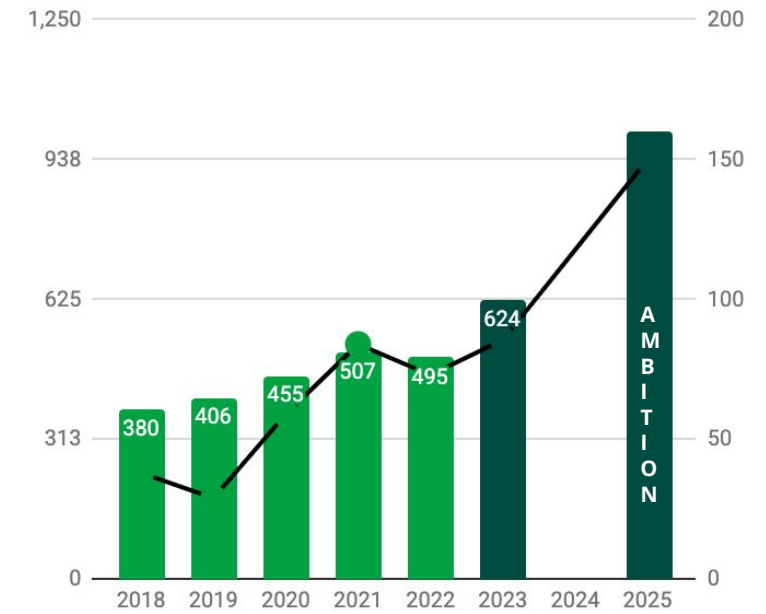
ORDER INTAKE AND PROCUREMENT AWARDS (MSEK)



12MR TRaaS US SALES (MSEK)



ANNUAL SALES & EBITDA (MSEK)



Executing on 1.14 bn backlog in home markets

US TRaaS momentum

Delivering on the 2025 Ambition

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.