

Sensys Gatso Group AB Market Presentation Interim Report Q4 and Year End 2023

Sensys
Gatso
Group

February 22, 2023

10:00 CET

Ivo Mönnink, CEO

Simon Mulder, CFO

Ticker | **SGG**

Nasdaq Small Cap Stockholm

AGENDA

Q4 MARKET PRESENTATION

Sensys
Gatso
Group

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



BUSINESS UPDATE | **Delivering on our financial
guidance**

**Sensys
Gatso
Group**

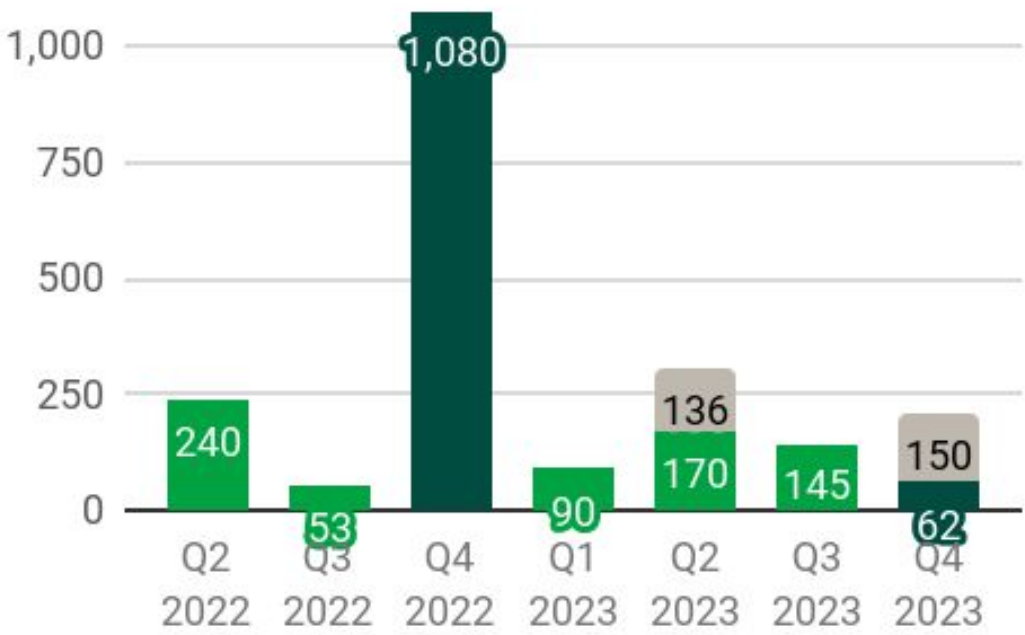
- » Backlog in home markets MSEK 1,200
- » TRaaS Revenue up 12%
- » USA is driving TRaaS growth
- » Balanced global revenue distribution
- » Update on our large projects in Saudi and Ghana
- » European Development and supply chain
- » EBITDA increase of 35%
- » Delivering on our financial guidance for 2023



Backlog in homemarkets SEK 1.2 bn



ORDER INTAKE AND PROCUREMENT AWARDS (MSEK)



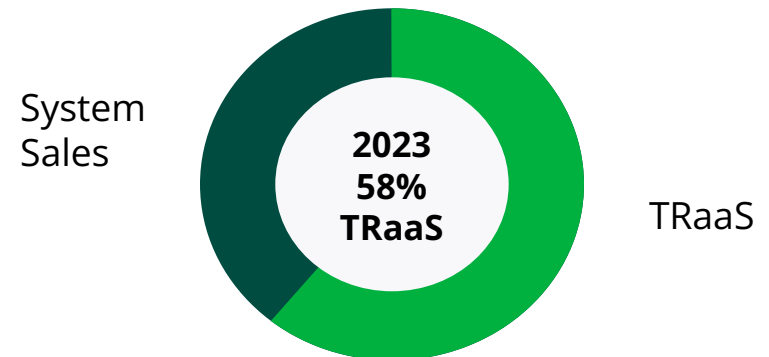
- Order Intake MSEK 212 (1,080)
- Q4 2022 included MSEK 850 from Swedish customer
- Dutch Contract increased by 60% from MSEK 250 to MSEK 400
- Combined value of Dutch and Swedish home market contracts is SEK 1.25 bn
- System deliveries just started, SEK 1.2 bn still in backlog
- Solid base for revenue generation in coming years

TRaaS sales up 12%



MSEK	Q4	Q4	YTD	YTD
	2023	2022	2023	2022
System Sales	117	68	260	183
TRaaS: Service & Maintenance	31	36	130	123
TRaaS: Licenses	2.7	1.8	7.1	4.1
TRaaS: Managed Services	71	56	226	185
Total Sales	221	161	624	495
Of which TRaaS:	104	93	363	312
TRaaS % of total Sales:	47%	58%	58%	63%

- TRaaS sales in Q4 MSEK 104 (93), up 12%
- Q4 TRaaS 47% (58%) of total sales
- Growth from US TRaaS Managed Services and Tasmania Police project in Australia
- FY 2023 TRaaS MSEK 363 (312), up 16% and 58% of total sales
- MSEK 34 (10%) from Tasmania Police project



USA is driving recurring revenue growth

BUSINESS DEVELOPMENT RESULTS 2023



- USA TraaS Managed Service grows 27% in Q4
- 2023 US TRaaS up 22% from MSEK 185 to MSEK 226
- High commercial activity level in 2023 resulting in contract signings in 2024;
 - Four renewals
 - Two new cities in Iowa
- Combined contract value MSEK 150

USA Footprint diversified and expanding



State	Redlight	Speed	# Cities
Alabama	1	0	1
Florida	1	0	1
Georgia	0	1	1
Illinois	8	0	8
Iowa	6	15	15
Louisiana	0	1	1
Maryland	0	1	1
New York	2	0	2
Ohio	1	8	8
Pennsylvania	3	0	3
Rhode Island	2	2	2
Grand Total	24	28	43

- Diversified portfolio;
 - 11 States
 - 43 cities
 - Redlight & Speed enforcement

- Why we win;
 - Long standing experience in USA
 - Customer relationships
 - Technology
 - Excellent sales team

- Thirteen contract signings in past 14 months.

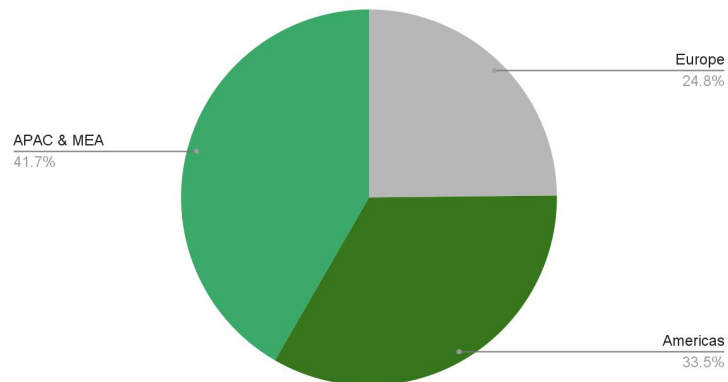
Thirteen contract signings in past 14 months.

Balanced global revenue distribution

	Q4	Q4	YTD	YTD
MSEK	2023	2022	2023	2022
Europe	34	49	155	123
Americas	65	80	209	207
APAC and MEA	122	33	260	164
Total Sales	221	161	624	495

- European company with global reach
- Governmental customers in more than 70 countries
- Solution customization to meet legal requirements
- Long term customer relationships

2023 Revenue distribution



Deliveries to Saudi customer completed



- Remaining 25% of SEK 275 delivered in Q4
- Excellent customer relationship and satisfaction
- Potential new traffic enforcement solutions
- SLA to maintain installed base

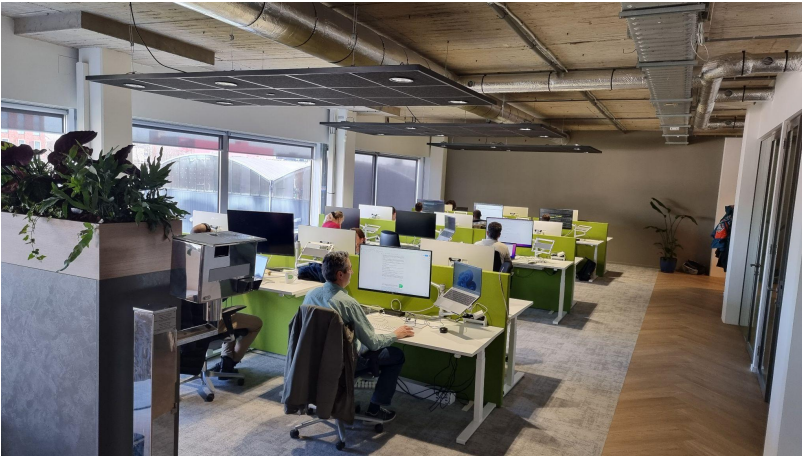
Ghana project progressing



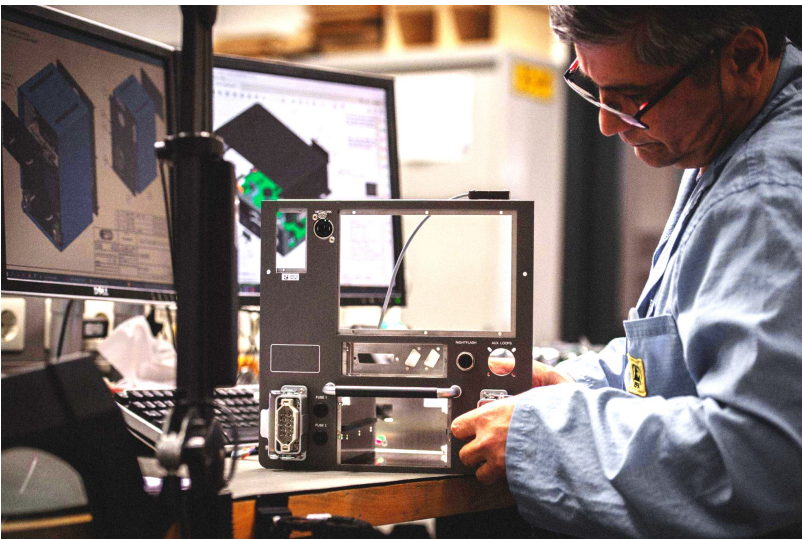
- Eleven year contract with Ghana government for automated traffic enforcement
- Full TraaS ⇒ Design, Build, Finance, Operate and Maintain a Nationwide road safety program.
- MSEK 800 revenue expected in the joint venture over eleven year contract period
- First test citations expected to be issued in H1 2024
- Financially reported as “results from JV’s”



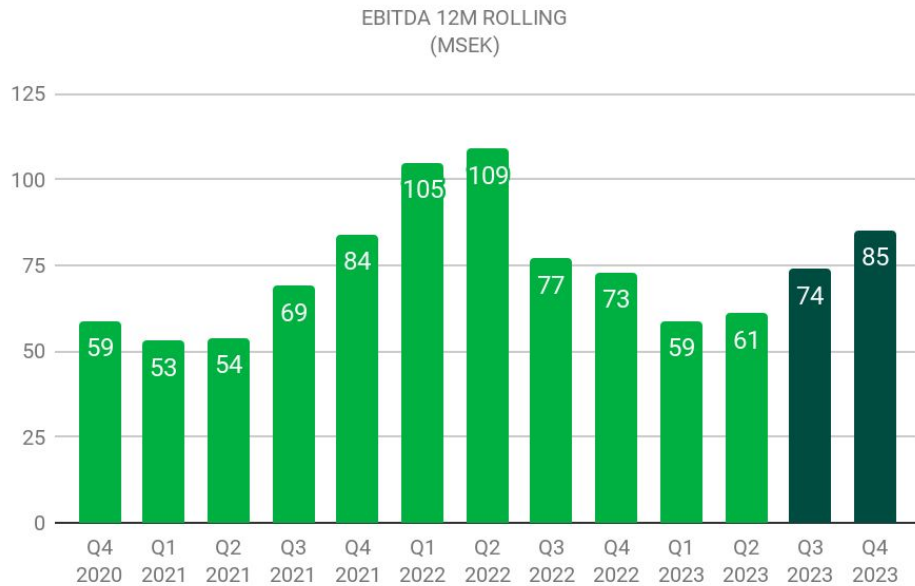
European SW/HW development and supply chain



- European software development
- European hardware design, development and production
- Limited supply chain dependency on Asia
- Compliant with EU regulations



EBITDA increase of 35%



- Q4 revenue level MSEK 221(161), up 37%
- Q4 EBITDA MSEK 45 (34), up 35%
- On a twelve months rolling basis our EBITDA increased by 15% from MSEK 74 to MSEK 85
- Q4 EBITDA margin 21%
- 2023 EBITDA margin 14%

Delivering on our 2023 guidance

2023 Financial Guidance (MSEK)	Low	High	Realized
Revenue	550	650	624
EBITDA margin	10%	15%	14%
EBITDA	55	98	85

- Revenue guidance SEK 550-650
- EBITDA margin guidance 10-15%
- Drivers
 - Completion of deliveries to Saudi
 - Roll-out of new programs in USA
 - Several smaller deliveries
- Realized Revenue **MSEK 624**
- Realized EBITDA margin **14%**, or **MSEK 85**
- Strong backlog to meet 2025 ambition

AGENDA

FINANCIAL UPDATE

Sensys
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Group

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



Consolidated Income Statement

	Oct - Dec	Oct - Dec	FY	FY
MSEK	2023	2022	2023	2022
System Sales Revenue	117	68	260	183
TRaaS Revenue	104	93	363	312
Total Revenue	221	161	624	495
Cost of goods sold	-129	-83	-371	-270
Gross profit	92	78	253	225
	42%	48%	40%	45%
Expenses	-58	-54	-214	-203
Other operational costs	1	-2	1	9
Operating profit	34	22	39	31
	15%	14%	6%	6%
Net financial items	-10	-10	-15	2
Profit before tax	24	12	25	33
Tax	-7	-2	-10	-13
Profit for the period	17	10	14	20

Q4

TRaaS Revenue
+12%

YTD

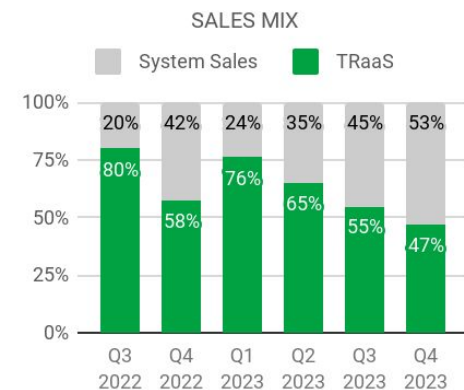
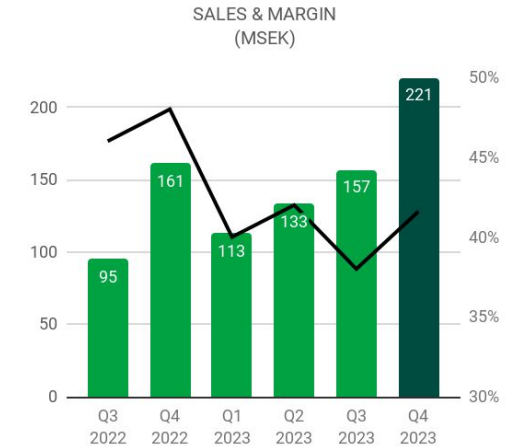
TRaaS Revenue
+16%

Gross Margin
42%

Gross Margin
40%

EBIT
34MSEK

EBIT
39MSEK

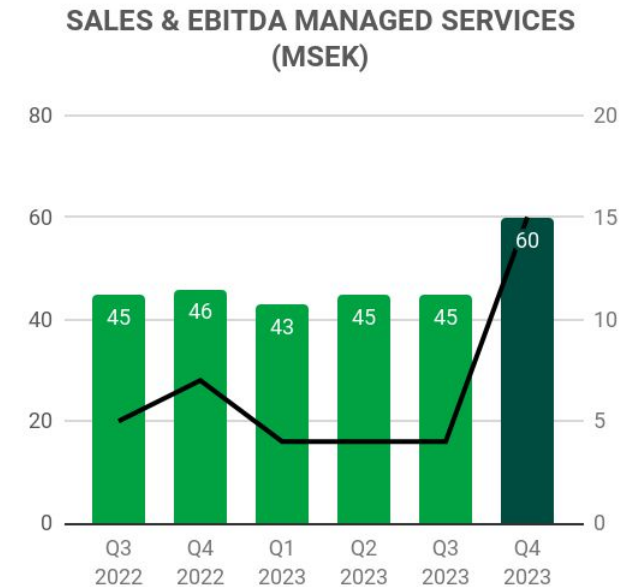
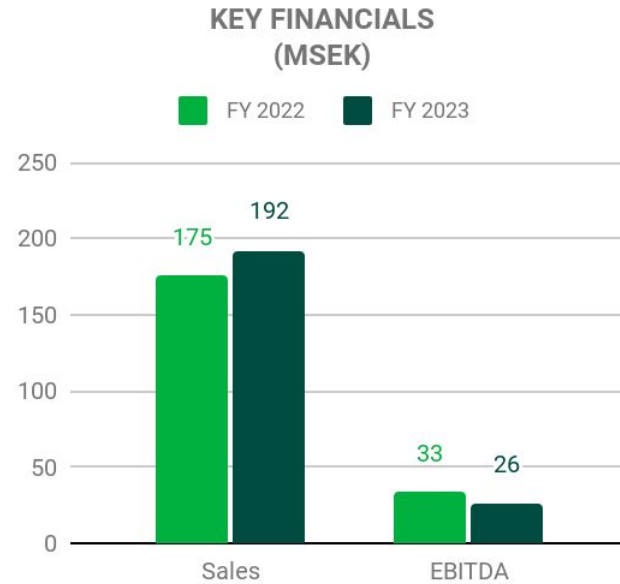
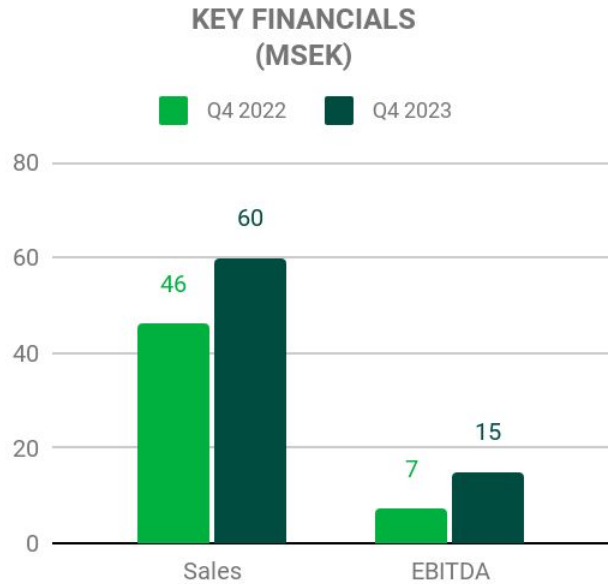


Segment Managed Services



Q4 Revenue and EBITDA growth driven by investments in the organization

- High activity contract signings in Q1 2024 (MSEK 150)
- Sales growth MSEK 15 (30%) driven by new programs and seasonality
- EBITDA growth MSEK 8; Investments in organization paying off

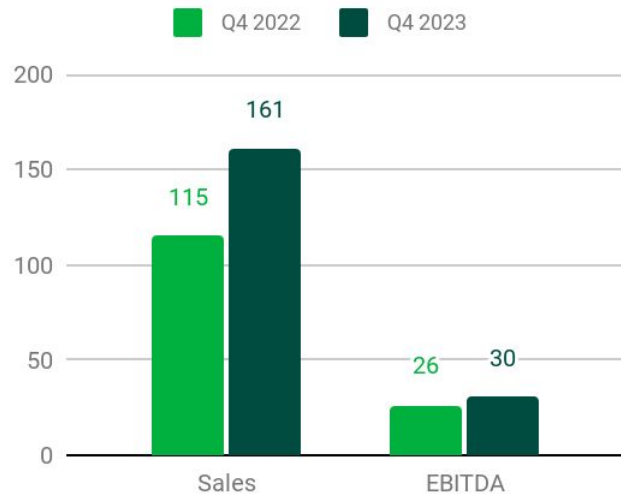


Segment System Sales

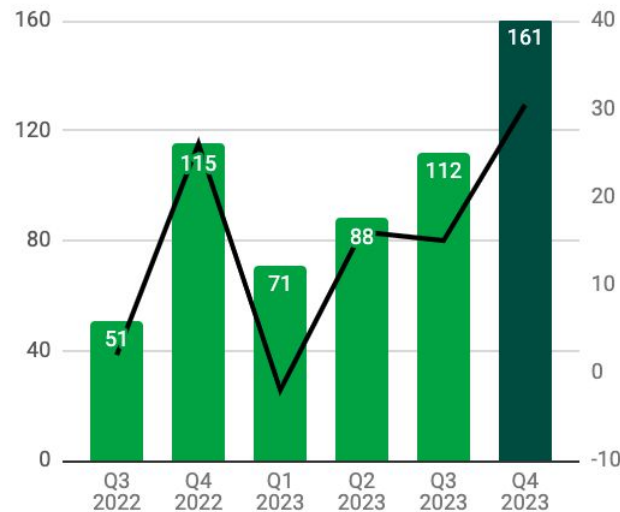
Executing on backlog Swedish and Dutch Tender (SEK 1.2 billion) and deliveries to Saudi

- Solid order intake in a quarter without large tenders; MSEK 212
- Sales growth in the quarter MSEK 46 driven by deliveries Middle East
- EBITDA growth MSEK 4 in the quarter; FY 2023 growth 48%

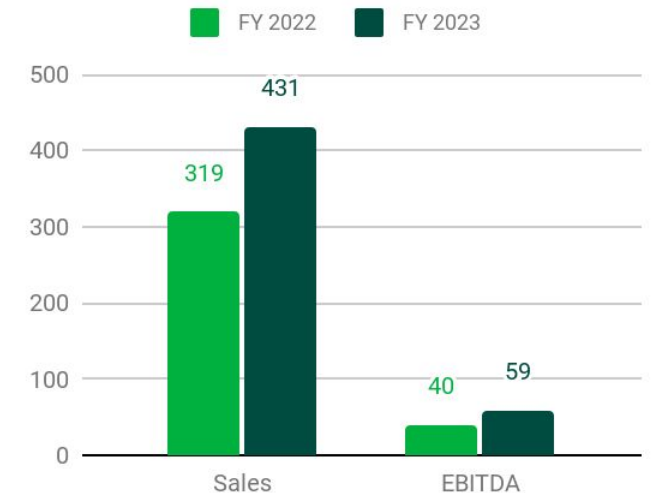
KEY FINANCIALS (MSEK)



SALES & EBITDA SYSTEM SALES (MSEK)



KEY FINANCIALS (MSEK)

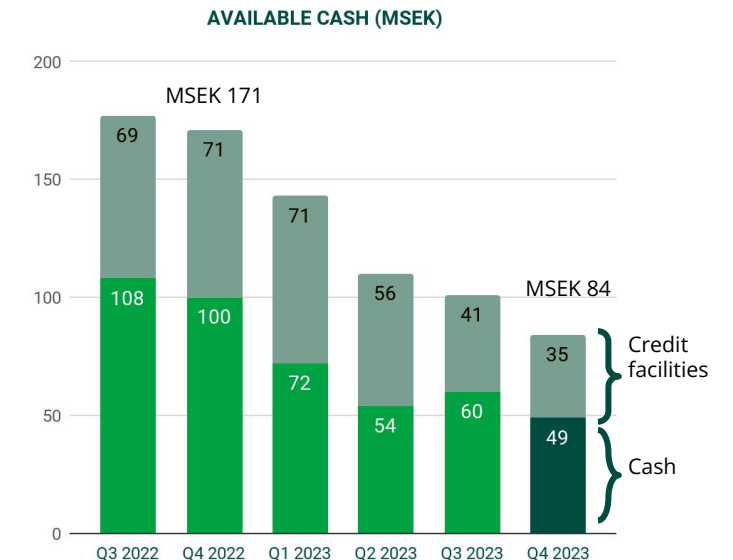
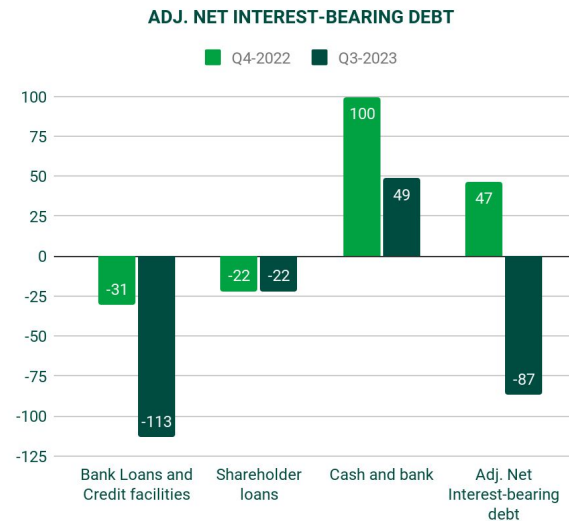
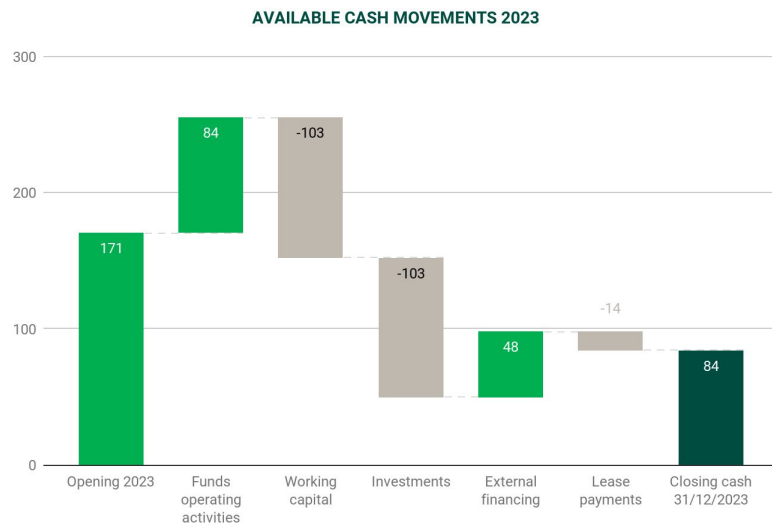


Financial Position

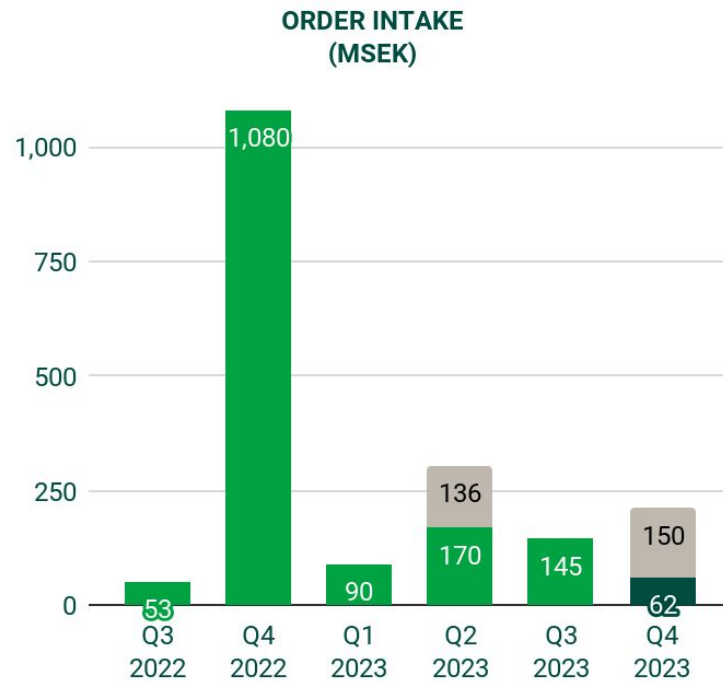


Available cash temporarily impacted by big project financing and investments in USA

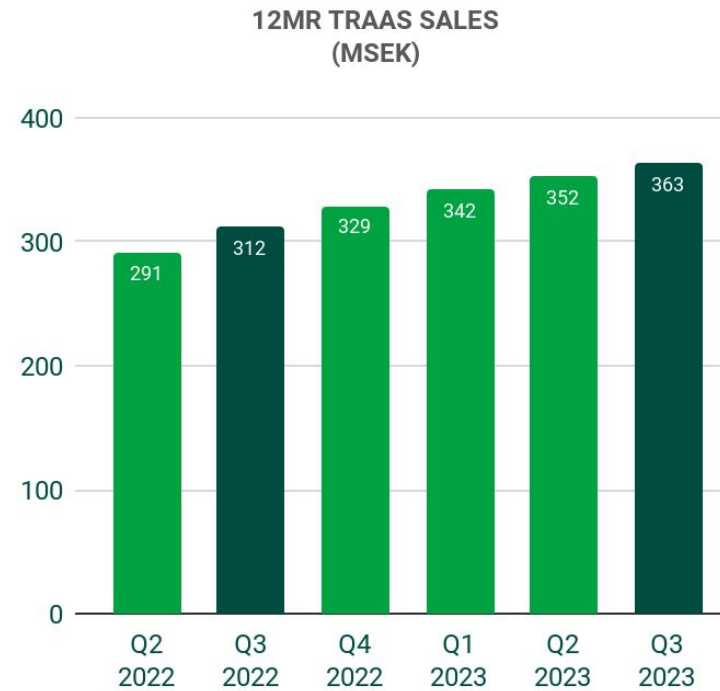
- Available cash at MSEK 84 (171 end of 2022), payments from Saudi received after the quarter MSEK 36
- Working capital increase MSEK 103; pre-financing Swedish, Dutch and Saudi projects
- Investments in USA financed through Rabobank CAPEX facility MSEK 100
- Ghana project getting traction; investments Q4 MSEK 10



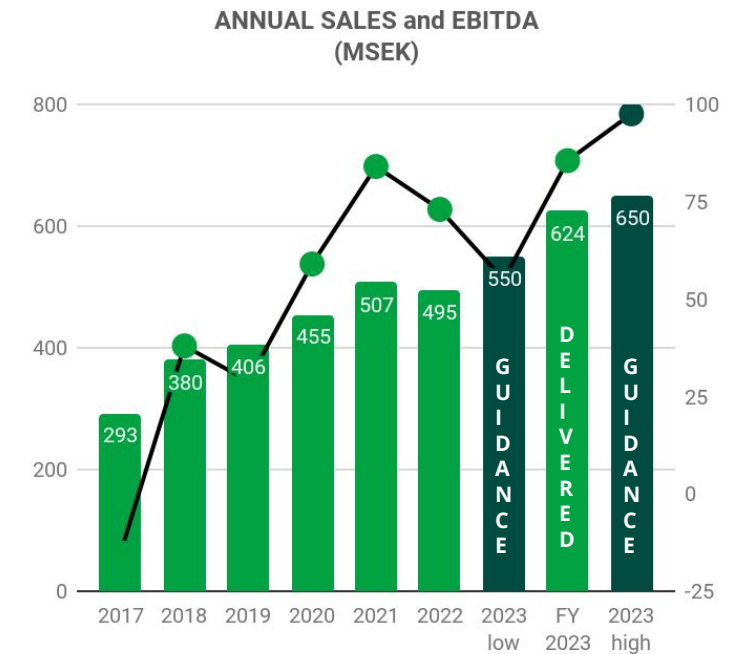
Outlook



Executing on 1.2bn backlog in home markets



TRaaS momentum



Delivering on the 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.