

Smart Parking Limited (ASX:SPZ)

AGM Presentation

8 November 2019
CEO Paul Gillespie

smartparking.com



Recovery & growth

World-leading technology and first-class managed services.

Management Services | UK

- Year of consolidating and strengthening market position.
- Successful stabilisation has created a platform for long term growth.
- Growth in market position with industry leading technology.
- New management team and additional heads in sales and operations fuels positive growth in site installations.

Technology | Global

- Executing long term growth strategies in the IoT marketplace.
- Significant market opportunities intact with solid operations plan.
- New smart city product delivery strengthens SPZ technology offering and global market position.
- R&D funded from operating cash flow and treated as an expense.

Strategy beginning to deliver encouraging signs of early growth

FY19 in review | Smart Parking Group

As previously stated, FY19 was a year of recovery and growth – actions taken include:

- New, experienced UK management team hired in H1 FY19.
- Investment in additional UK sales heads hired, 9 direct sales people in post selling Managed Services – growth in UK Services sites achieved with a record number of ANPR installations despite some losses during the year.
- Maintained focus on process improvement during ANPR installation and 'go-live' of each site.
- Investment in R&D to complete and deliver to production SmartCloud, the Smart City platform, now operational and processing data for 44 customers (some of which have multiple sites, e.g. Wilson Parking, Coles, Lidl).
- Investment and delivery of our mobile payment application – delivered and now live, generating revenue with City of Adelaide, Livingstone Shire Council, Les Mills and Broken Hill.
- Investment in the new enforcement platform, due for delivery in H1 FY20.

Since the full year result, SPZ has continued to invest in sales, marketing and R&D to support our growth strategy.

Corporate activity update

- In August 2019 we announced to the market news that the Board received an unsolicited preliminary, non-binding, indicative and conditional proposal to acquire 100% of the share capital of Smart Parking Limited at a price of 28.4c in cash for each SPZ share, from ParkingEye Limited. This proposal was declined.
- SPZ strategy endorsed by market interest.
- Smart Parking continue to believe the Group has greater value than the current share price and will continue to work to maximise value for all shareholders.

Smart Parking Group

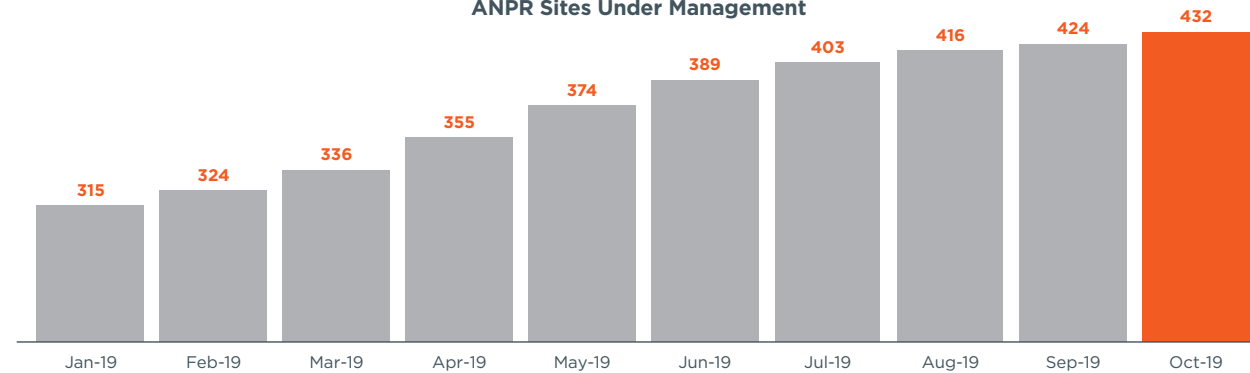
- SPZ continues to invest in our people, product and process to fuel future growth.
- Lower revenue in FY19 due to:
 - The loss of some key car parking sites in the UK management estate.
 - Higher client revenue share due to site mix.
 - Fewer PBNs being issued in line with customer engagement strategy.
- Investment in additional sales executives, customer engagement strategy and operational resource is showing results in more new site wins, set to continue into FY20.
- Site growth in the UK Services business in FY20 will increase PBNs issued and drive revenue growth.
- VAT assessment received subsequent to year end, currently under appeal.

FY19 Results | Group Profit & Loss (m)

	FY18	FY19
Revenue	30.7	27.0
Cost of Sales	(13.1)	(11.8)
Gross Profit	17.6	15.2
Overheads	(13.5)	(14.9)
Adjusted EBITDA	4.1	0.3
VAT Assessment	-	(2.9)
Other non-recurring items	-	(0.6)
EBITDA	4.1	(3.2)
Net Interest Received	0.3	0.3
Depreciation & Amortisation	(2.0)	(1.9)
Other	0.0	(0.3)
Net profit/(loss) before tax	2.4	(5.1)
Tax expense	(0.7)	0.2
Net Profit/(loss) after tax	1.7	(4.9)
Gross Margin %	57.4%	56.2%
Overheads/Revenue %	44.0%	55.3%
EBITDA Margin %	13.4%	1.0%
EPS (cents per share)	0.46	(1.37)

Return to Growth | Smart Parking Group

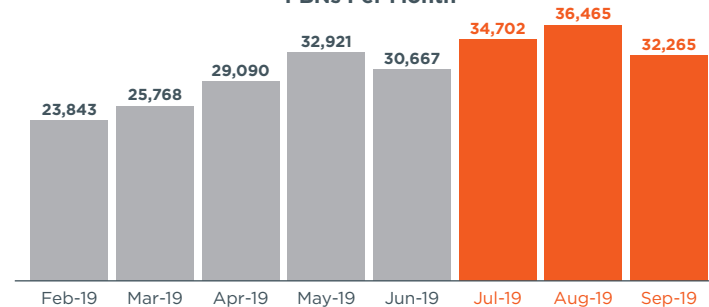
ANPR Sites Under Management



UK ANPR roll out continues

57 new sites installed in FY20 to date. Work continues to refine the portfolio to enhance overall profitability.
432 total sites under management using ANPR technology at 31 October.

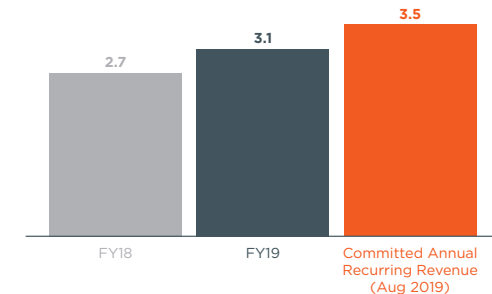
PBNs Per Month



PBNs now returning to growth

Despite some significant site losses in FY19 PBN issuance is now returning to growth in line with site acquisition. October yet to be finalised, expected to be in line with September.

Technology Annual Recurring Revenue (m)



Annual recurring revenue grows

Annual recurring revenue from the technology business continues to grow as we win more customers.

Smart Parking Group

| Upgrading capabilities - encouraging early results

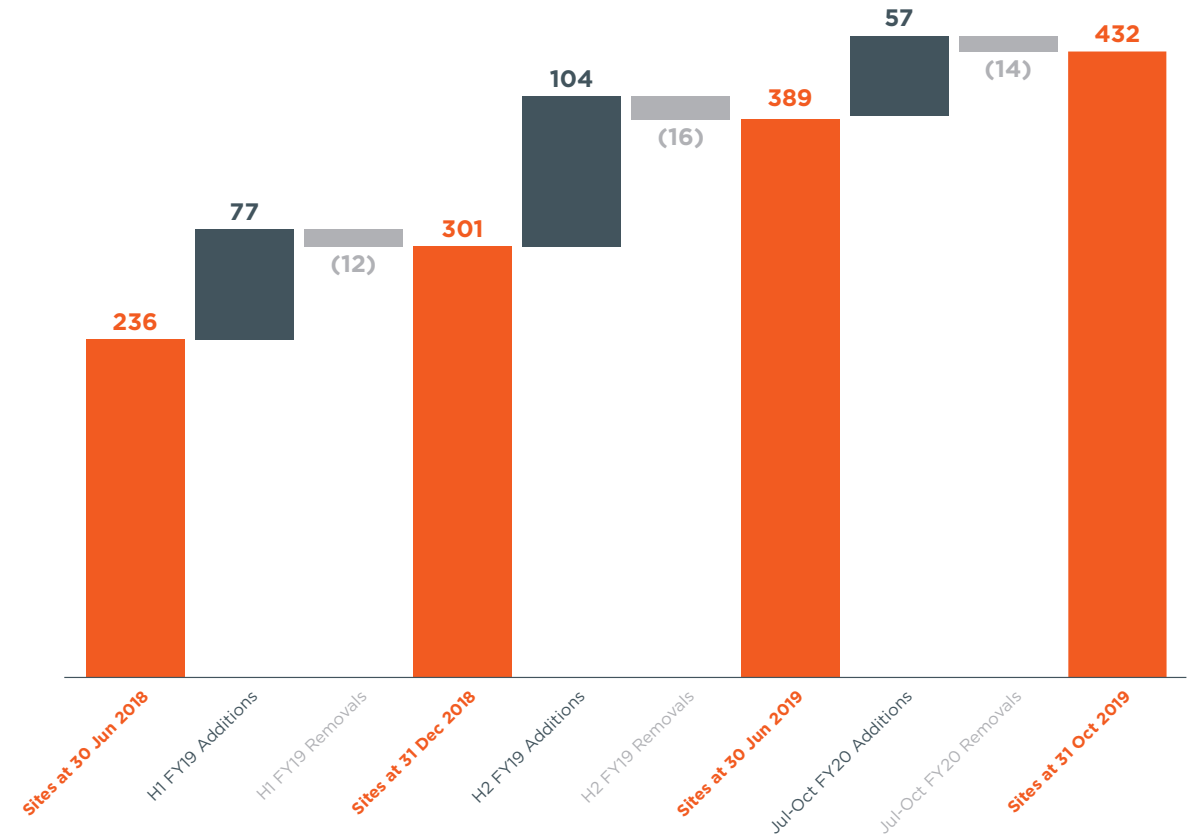
- ANPR installations for H1 FY20 are in line with plan.
- Technology wins in home markets of UK, NZ and Australia continue to close.
- Two additional technology sales heads hired since June 30th to capture large opportunity in the Smart City market place.
- Enforcement product close to completion and ready to launch before end of H1 FY20 – SPZ focused on capturing market share in the local authority enforcement market place providing a full end-to-end guidance, payment and enforcement solution.



Management Services

- Addressable market of 45,000 sites with 15,000 suitable for ANPR installations ensure long-term runway for growth.
- New site installation roll-out on track and in line with management expectations for H1 FY20.
- Growth in sites coming from existing customer base, as well as new business.
- UK management team clearly focused on executing disciplined growth plan.
- Investment in sales team with new sales heads recruited to drive growth and build pipeline.
- Strengthened account management and customer service teams to support growth.

Site Reconciliation

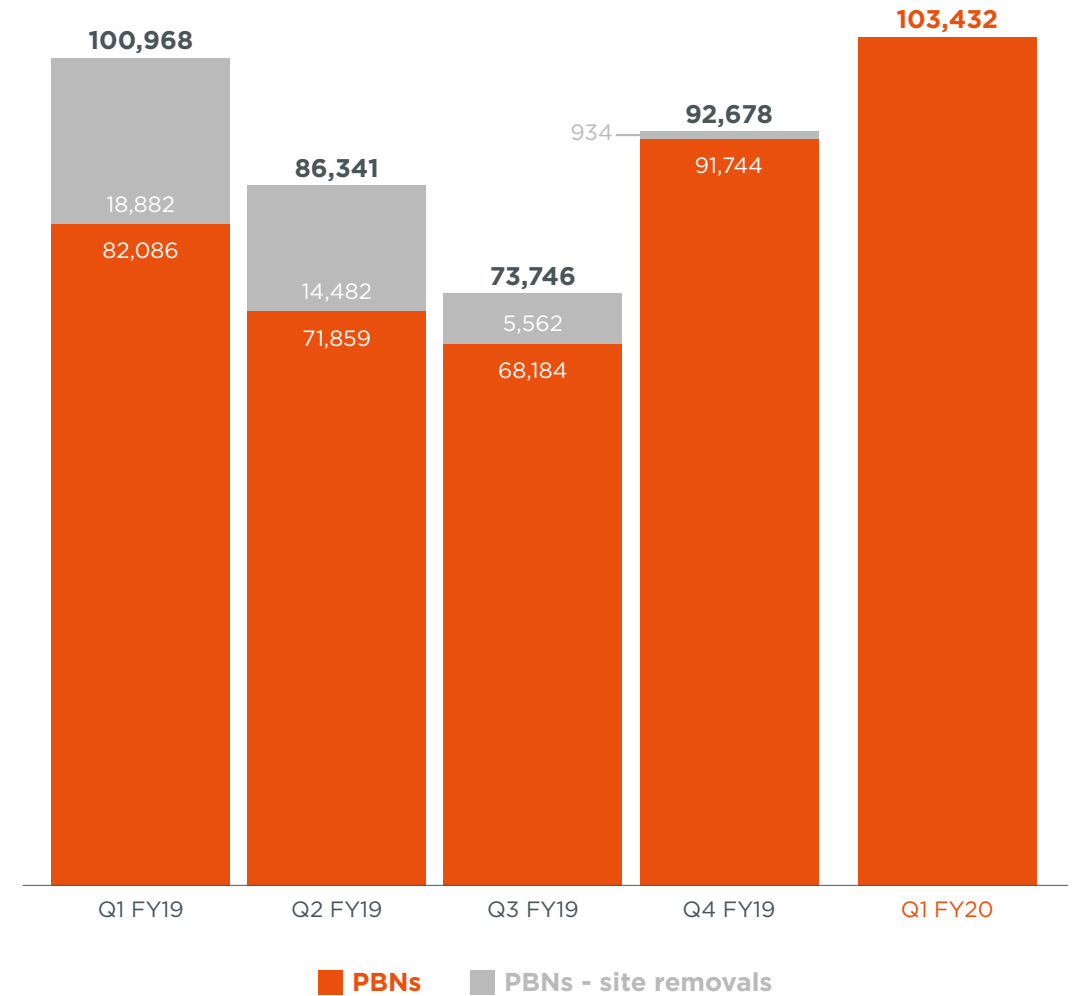


Parking breach notices

- Refocused culture to drive a positive customer experience and long term, sustainable contract engagements.
- PBNs returning to growth in line with increase in sales and customer service teams.
- PBNs from site removals will be substantially less in future due to focus on customer engagement strategy.



Parking Breach Notices Issued



Smart city growth continues

| Smart Parking focused on long-term growth globally.

- Global adoption of smart city technology continues with SPZ positioned to capture growth.
- Market sizing research from Navigant indicates the global smart parking market is projected to grow by US\$7.4b by 2025 (*Research&Markets*).
- Opportunity presented by the Kaufland contract for Germany and Australia. First installation in Germany completed October 2019. Kaufland have 1,200 stores worldwide.
- SPZ continue to win smart city projects across all markets, including councils in South Australia, Victoria, Queensland, New Zealand, UK and Europe.



Business update: R&D

| Investment in smart city technology stack

- **Parking App** – guidance, payment and enforcement tracking delivered to multiple customers.
- **SmartCloud platform** – additional functionality delivered to enhance the smart city and IoT dashboard.
- **SmartCloud platform** – message processing from multiple IoT devices:
 - smart lighting for council customers
 - smart LPR for parking management customers
 - ingestion of flight information and people counting data for aviation customers
- **API Portal** – developers at client sites can create reports and dashboards to exact specifications.
- **Enforcement management system** – in development to complete the end-to-end customer journey, opening up a wider pool of customers with greater product offering.



FY20 Strategy and Goals – Services

- Business back into growth phase with new expanded sales team.
- Significant infrastructure investment in FY19 now delivering earnings growth.
- Site growth to continue with a target of 200 new installations in FY20, resulting in increased PBNs.
- Maintain discipline in customer engagement to deliver the best possible customer experience.
- Substantial market opportunity affirmed, SPZ well positioned and well funded to capture greater market share.

FY20 Strategy and Goals – Technology

- Clear focus on product development and delivery for the Smart City and IoT market place globally.
- Growth in Technology sales team to drive new business. Quality of pipeline increasing with blue chip customers as IoT adoption grows.
- Grow revenue from existing customer portfolio through additional IoT services.
- Maintain win rate of key local authority business across all operating markets.
- Global IoT opportunity reaffirmed with SPZ well positioned to capture market share.

