

Smart Parking Limited (ASX:SPZ)

FY23 Results

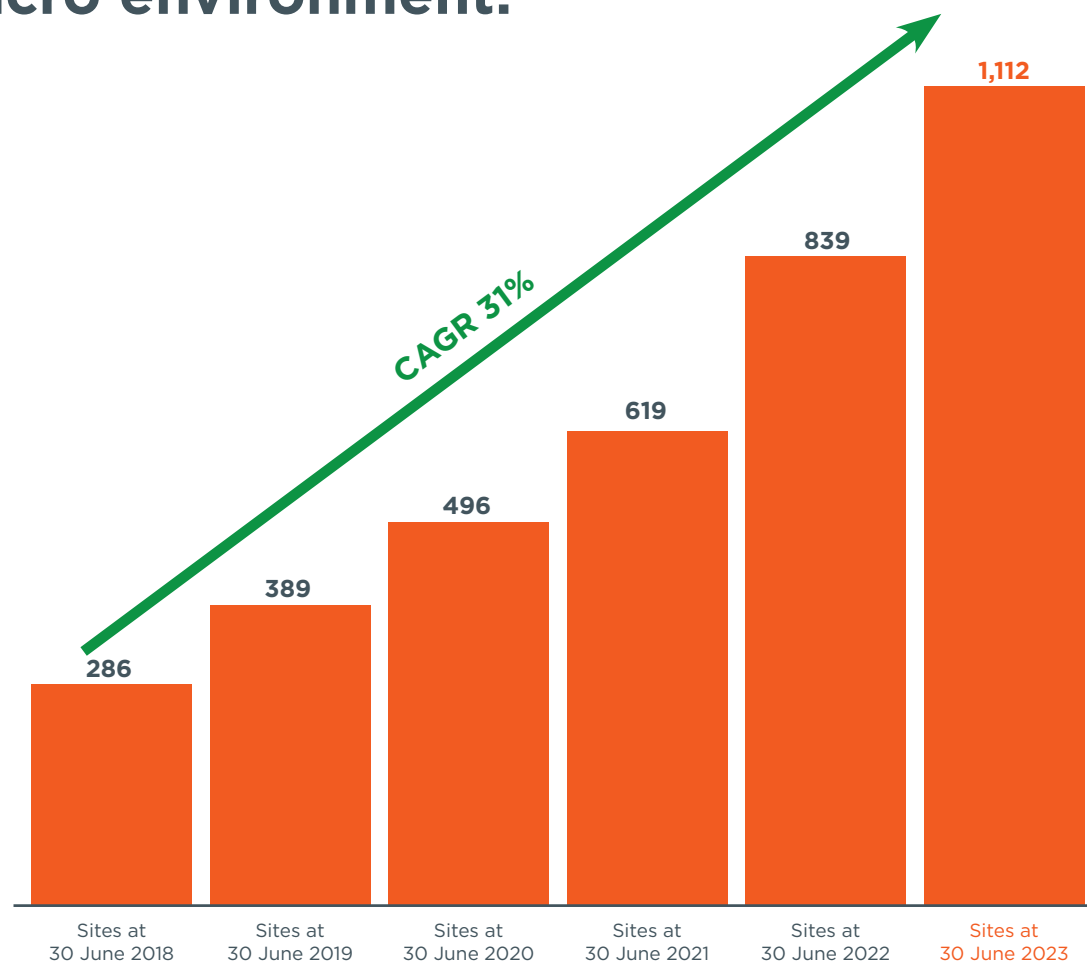
21 August 2023
CEO Paul Gillespie

[smartparking.com](https://www.smartparking.com)

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Record FY23 results

Delivering record results in a challenging macro environment:



Total Group ANPR sites

FY23:

Revenue up 21%¹ to

\$45.1m

Adjusted EBITDA up 35%¹ to

\$11.5m

Total sites up 33% to

1,112

¹ In constant currency (FY22 exchange rates)

FY23

Revenue of \$45.1m
(\$46.1m¹) up



21%

¹

**Compared to PCP (in constant currency)*

Adjusted EBITDA
\$11.5m (\$11.8m¹) up



35%

¹

**Compared to PCP (in constant currency)*

Adjusted EBITDA margin
of 25.5% up



266

¹ bps

**Compared to PCP (in constant currency)*

1,112 Total sites
up **33%**



**As at 30 June 2023 compared to PCP*

Cash of
\$10.7m

**As at 30 June 2023*

1,500
Global sites target by
June 2025 - affirmed

¹ In constant currency (FY22 exchange rates)

Growth strategy - progress report

| Building a stronger SPZ across multiple territories in FY23



UK



NZ



Australia (QLD)



Germany

GROWTH IN ANPR SITES

930 total sites
18% up on PCP

84 total sites
320% up on PCP

71 total sites
163% up on PCP

27 total sites
1,250% up on PCP

GROWTH IN PBNs

15% up on PCP

258% up on PCP

126% up on PCP

3,785% up on PCP

REVENUE (\$000s)

36,390
13% up on PCP

2,923
278% up on PCP

1,406
249% up on PCP

451
1,622% up on PCP

TAM

45,000 sites

3,000 sites

2,000 sites

90,000 sites

FY23 business update

| Record results, expanding market opportunities to accelerate growth.

FINANCIAL

- **Record results** – Revenue \$45.1m and Adjusted EBITDA \$11.5m (\$46.1m and \$11.8m in constant currency) **Adjusted EBITDA margin of 25.7%** (in constant currency).
- Strong FY23 with contributions from all regions with revenue growth compared to PCP of: UK - 13%, NZ - 278%, Australia - 249%, Germany - 1,622%
- Free cashflow positive \$8.7m¹
- **Cash of \$10.7m** to self-fund growth, technology investments and complementary acquisition opportunities.

EXPANSION

- **1,112 total group sites** under management as at 30 June 2023, up 33% on PCP.
- **Focused on accelerated commercial growth** in Germany, with new enterprise contract wins and New Zealand as sales team gains traction.
- Continuing to scale the core business in the UK with a broad base of new business wins.
- Queensland operations interrupted in February 2023 while the Government conduct a stakeholder consultation process.
- NZ Parking Services business experiencing **rapid growth** through disciplined execution of growth strategy with revenue **up 278% on PCP**.

OUTLOOK

- **Positive outlook for further profitable growth in FY24** - on track to exceed 1,500 sites under management ahead of June 2025 target date.
- **Continuous and disciplined execution of site expansion** plans in large addressable markets.
- Continuing to leverage market leading technology and deep domain expertise to facilitate industry change away from archaic and legacy systems.
- **Integration of ParkInnovation**, recent German acquisition.
- Scope for further accretive acquisitions across all territories with conversion opportunities to SPZ platform.

¹ Excludes \$1.5m investment in Germany



FY23
Financial
Update

FY23 performance

Group Profit & Loss (\$m)

	FY23	FY23 (Constant currency) ²	FY22	FY23 vs FY22 (Constant currency) ²
Revenue	45.1	46.1	38.1	21%
Cost of Sales	(13.9)	(14.3)	(13.4)	(6%)
Gross Profit	31.2	31.8	24.7	29%
Overheads	(19.7)	(20.0)	(15.9)	(26%)
Adjusted EBITDA¹	11.5	11.8	8.8	35%
Other Non-operating/Non-recurring items	0.6	0.7	(1.4)	146%
EBITDA	12.1	12.5	7.4	68%
Depreciation and amortisation	(5.4)	(5.5)	(4.6)	(20%)
EBIT	6.7	7.0	2.8	148%
Net Interest	(0.5)	(0.6)	(0.7)	24%
Net Profit	6.2	6.4	2.1	205%
Tax benefit/(expense)	0.2	0.1	(1.1)	117%
Net Profit after tax	6.4	6.6	1.0	591%

Gross Margin % ²	69.1%	69.0%	64.7%
Overheads/Revenue % ²	43.7%	43.4%	41.7%
Adjusted EBITDA Margin % ²	25.5%	25.7%	23.0%
Basic EPS (cents per share)	1.82	1.89	0.27

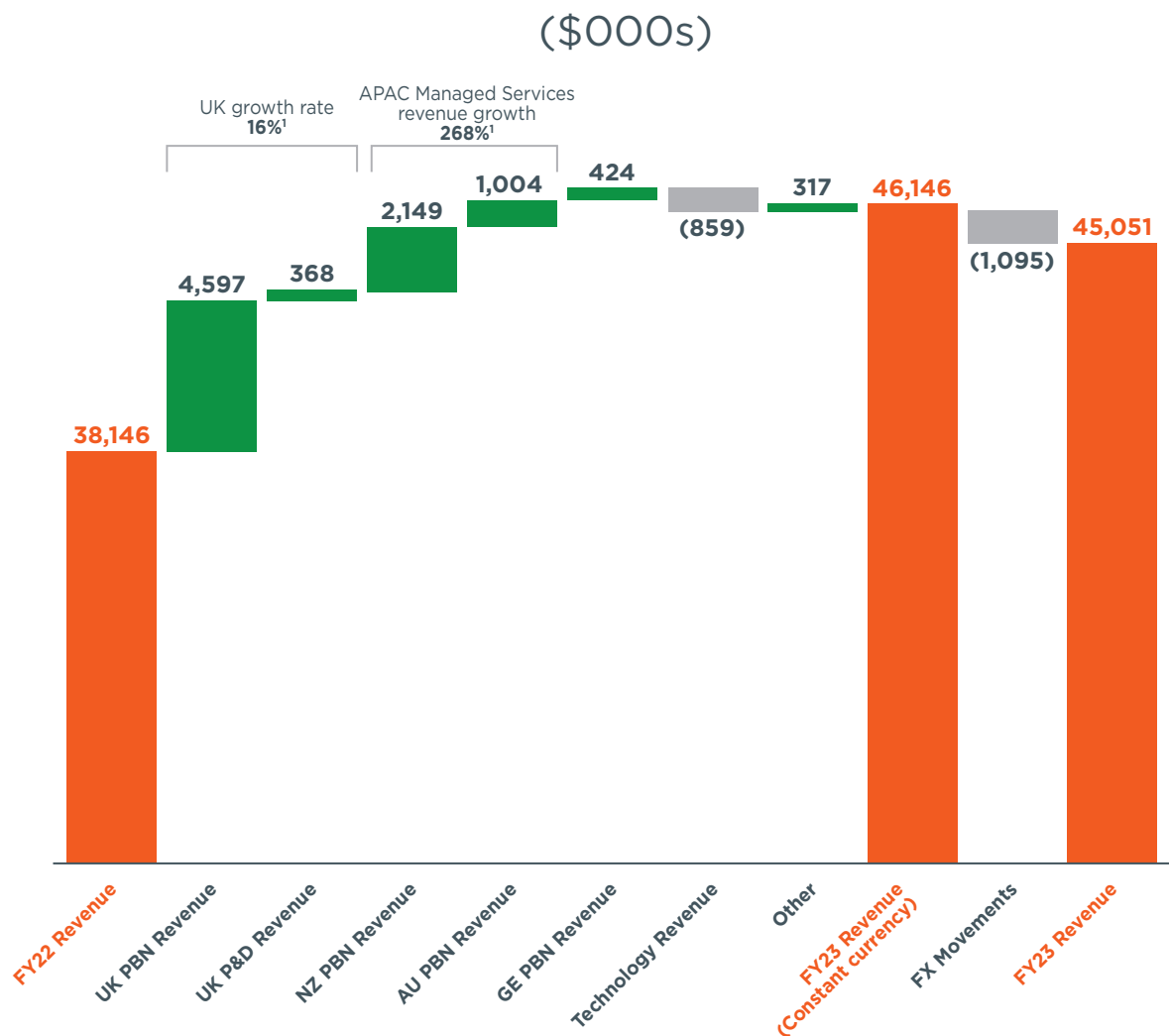
¹ The balances are adjusted for amounts that are not related to underlying operations or not expected to occur in the future

² In constant currency (FY22 exchange rates)

- Revenue increased 21%² due to the expansion of sites under management by 33%, demonstrating strong revenue growth in all territories
- Overheads are up 26%² compared to FY22 with a review of resourcing requirements following increased activity, expansion into new territories including \$1.5m investment in the new German operation in FY23.
- Adjusted EBITDA of \$11.5m is up 35%² on FY22.
- Tax expense includes benefit related to tax losses in NZ, and benefit of Group tax losses for UK companies.

Revenue growth

| Revenue up 21%¹ from increased sites under management and expansion into new territories

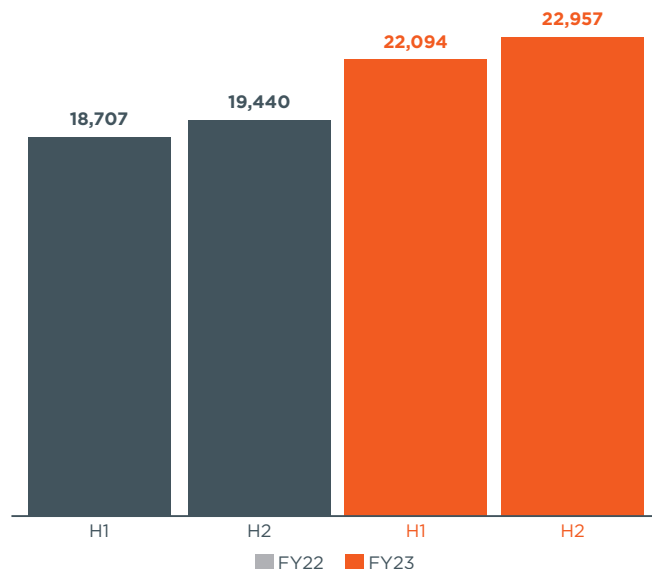


- UK parking management revenue growth of 16%¹ compared to FY22.
- APAC parking management revenue of \$4.3m up 268%¹ on PCP (FY22: \$1.2m).
- June run rate revenue (not seasonally adjusted) is \$4.6m, sites at 30 June are 1,112 (up 33% on PCP), and PBNs are 70,369 (up 33% on PCP).

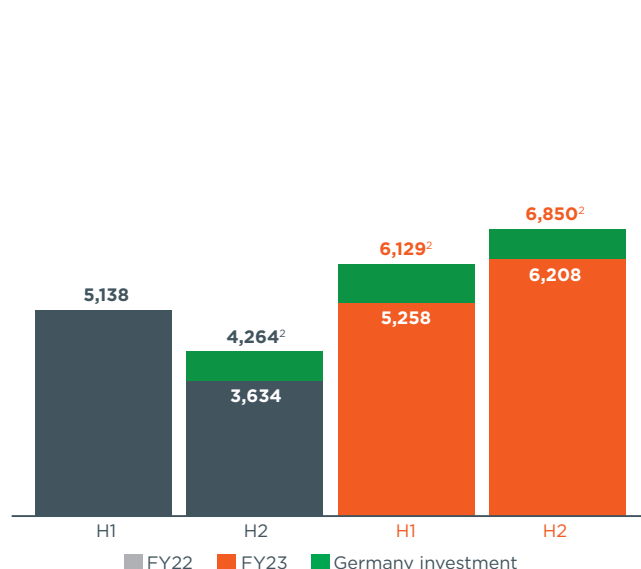
¹ In constant currency (FY22 exchange rates)

FY23 – Margin expansion

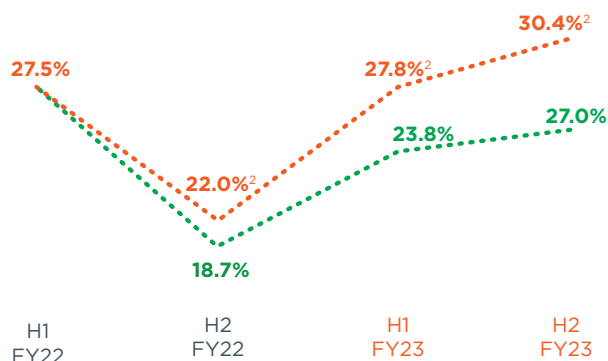
Revenue (\$000s)



Adjusted EBITDA (\$000s)



Adjusted EBITDA % Margin



¹ In constant currency (FY22 exchange rates)

² Excludes Germany to enable like for like comparison with PCP

Revenue up **21%**¹ on PCP

Adjusted EBITDA up **35%**¹ on PCP

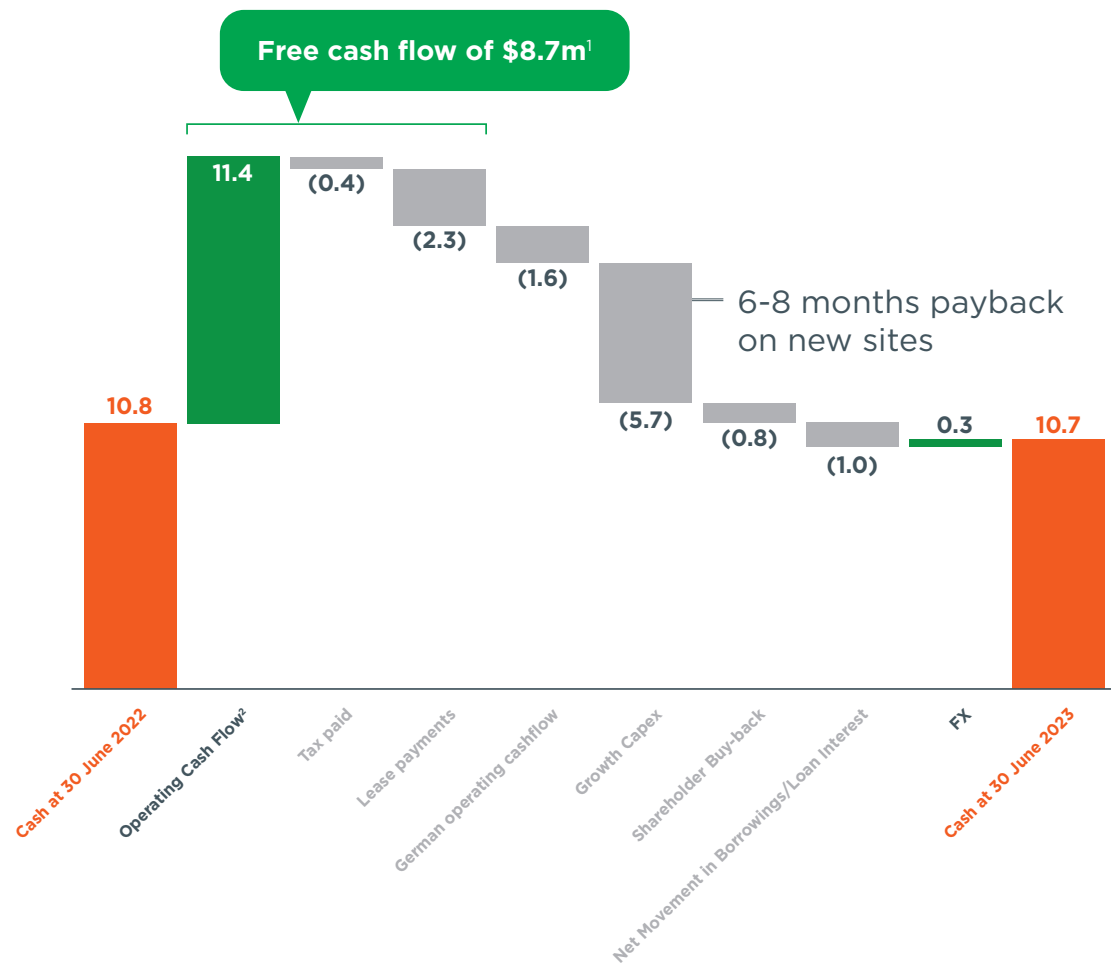
Adjusted EBITDA margin of **29.1%**² up 455¹ bps on PCP

- Revenue up 21%¹ on PCP.
- Investment in Germany of \$1.5m.
- Adjusted EBITDA up 35%¹ including \$1.5m investment in Germany, EBITDA margin of 26%¹.
- Growth CAPEX of \$4.4m including ANPR camera equipment to support the acceleration of site growth and benefit future periods.
- Average payback for organic ANPR and Managed Services investment is 6-8 months.

Positive free cash flow

| \$10.7m cash to fund growth strategy and shareholder returns

Cash Flow Waterfall (\$m)



- Cash on hand of \$10.7m as at 30 June 2023.
- Positive free cash flow of \$8.7m
- Minimal maintenance CAPEX required - capital light business model.
- Growth CAPEX of \$5.7m including ANPR camera equipment to support the acceleration of site growth and benefit future periods.
- Disciplined evaluation of new M&A opportunities.
- The Group continued with an on-market buy-back of shares for \$0.8m in FY23.
- Free cashflow of \$8.7m is down 1% due to tax payments commencing in the UK, and due to timing differences where the company received deposits for technology projects in FY22 with some of the costs being incurred in FY23.

¹ Excludes Germany to enable like for like comparison with PCP. CAPEX isn't included in free cashflow as relates to future growth.

² Excludes tax paid and German cashflow as shown separately.

Strong balance sheet to fund growth strategy

Group Financial Position (\$m)

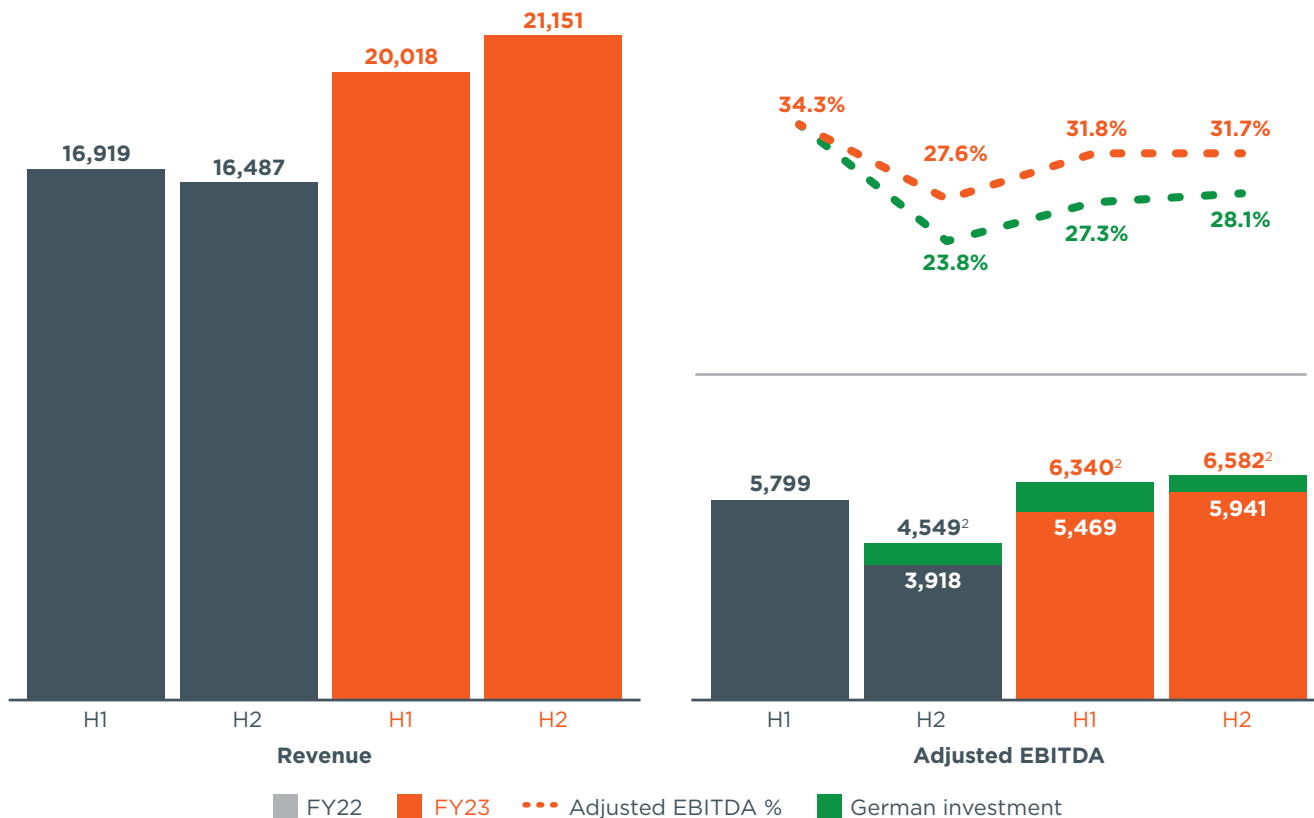
\$m	Jun-23	Jun-22
Current assets	25.8	23.1
Non-current assets	30.2	26.1
Total assets	56.0	49.2
Current liabilities	16.7	16.7
Non-current liabilities	15.6	15.0
Total equity	23.7	17.5
Cash & cash equivalents	10.7	10.8

- \$10.7m of cash – capital to fund growth strategies.
- In October 2021 the Company commenced repayments of a UK Coronavirus Business Interruption Loan (\$2.7m) in 36 equal monthly instalments.
- In FY23 the Group purchased 3.3m shares as part of a share buy-back for \$0.8m with an average price of \$0.2297.
- In July 2023 the Company acquired ParkInnovation, a German parking management business, for \$2m.

Parking Management

| 26%¹ revenue growth in FY23 vs PCP

Parking Management (\$000s)



Revenue up
26%¹

**Compared to PCP (In constant currency).*



Adjusted EBITDA
margin of
31.7%²

Excluding investment in Germany.

- Parking management represents 91% of group revenues

¹ In constant currency (FY22 exchange rates)

² Excludes Germany to enable like for like comparison with PCP

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FY23
Business
Update

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Growth strategy – multiple drivers

| Three key pillars for growth

Organic existing markets



Growth in sites =
growth in PBNs =

revenue & profitability

High incremental margin
leveraging existing
fixed cost base

Existing markets:



1,500

ANPR site target by June 2025

Growth in new territories



Investigating and evaluating
new market territories

Low cost

expansion strategy

Focused on territories with
appropriate regulatory
environment where SPZ can
**leverage IP and market
leading technology**

M&A



Good pipeline
of opportunities



Disciplined selection criteria:
Strategic fit, technology and
earnings accretion



Ability to leverage technology
and deep domain expertise to
deliver synergies

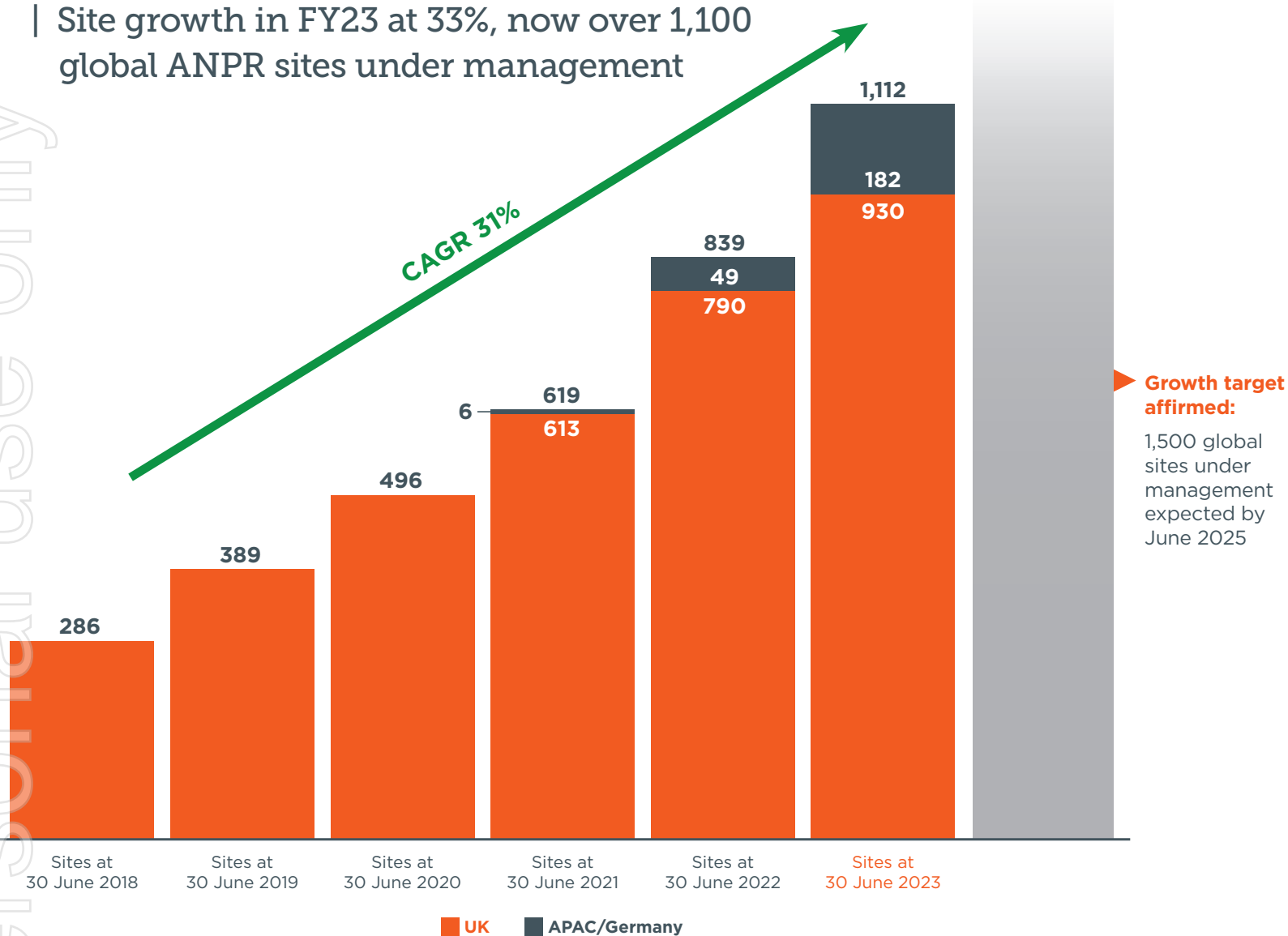


Proven track record
with successful integrations

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On track for 1,500 ANPR sites by June 2025

| Site growth in FY23 at 33%, now over 1,100 global ANPR sites under management

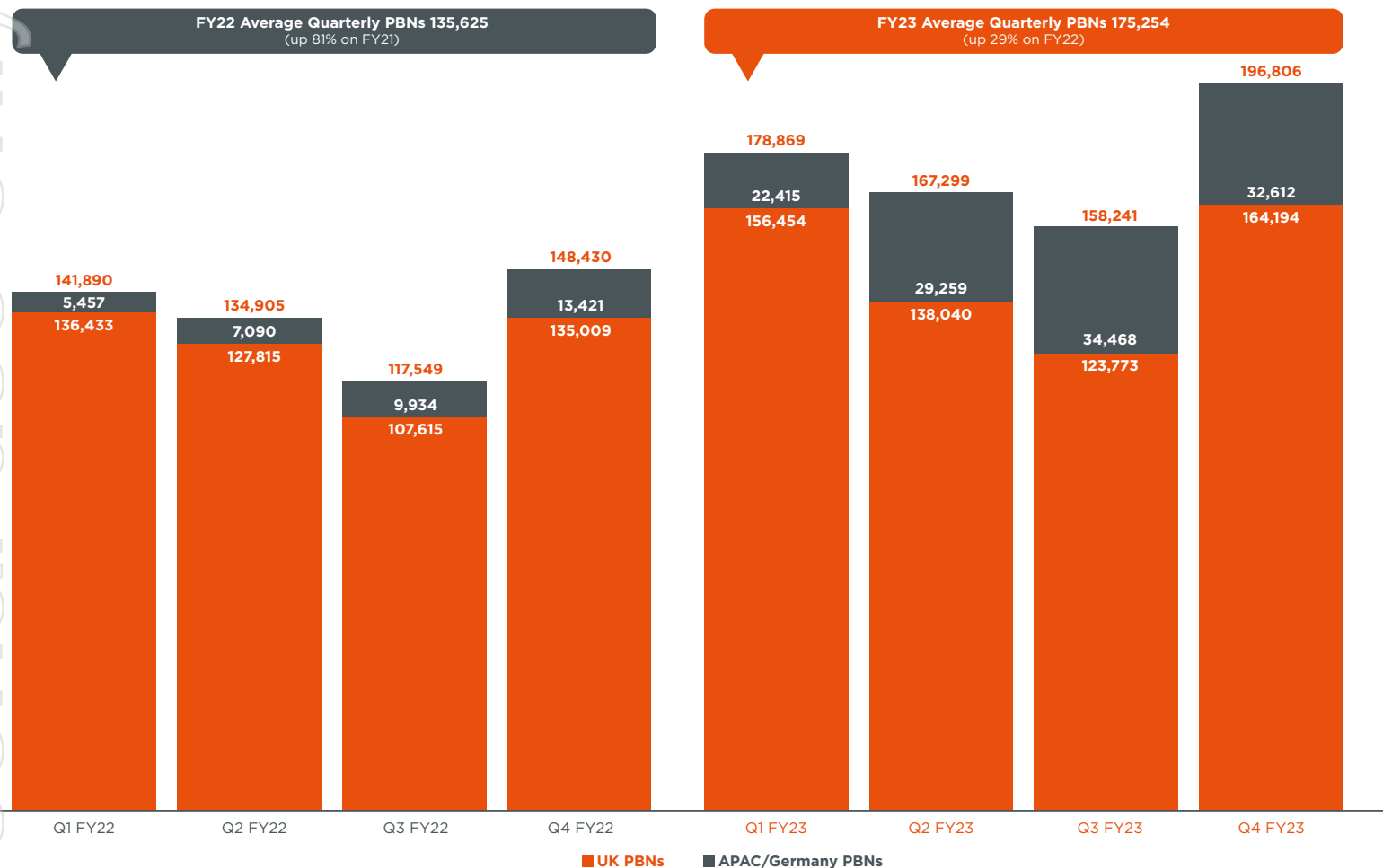


- Disciplined execution of sales strategy delivers excellent results.
- UK ANPR roll out continues, 197 new sites in FY23.
- Growing APAC and Germany managed services with 155 sites in New Zealand/Australia installed as at 30 June 2023.
- Significant site growth across APAC despite Queensland operational interruption in February 2023.
- Continuing to leverage technology and expertise into new territories.
- Globally, 330 new sites added in FY23, taking the estate to 1,112 ANPR sites.

Strong growth underway

| FY23 record PBNs issued, up 29% vs PCP

Parking Breach Notices Issued



Reduction in PBNs in Q3 is in line with normal seasonal variations.

FY23 growth delivered

- PBN growth up 29% on PCP.
- Continuing to expand and enhance sales and account management capability to capture market share across all operating territories.

New territory growth underway

| Successfully scaling new territories

Sites

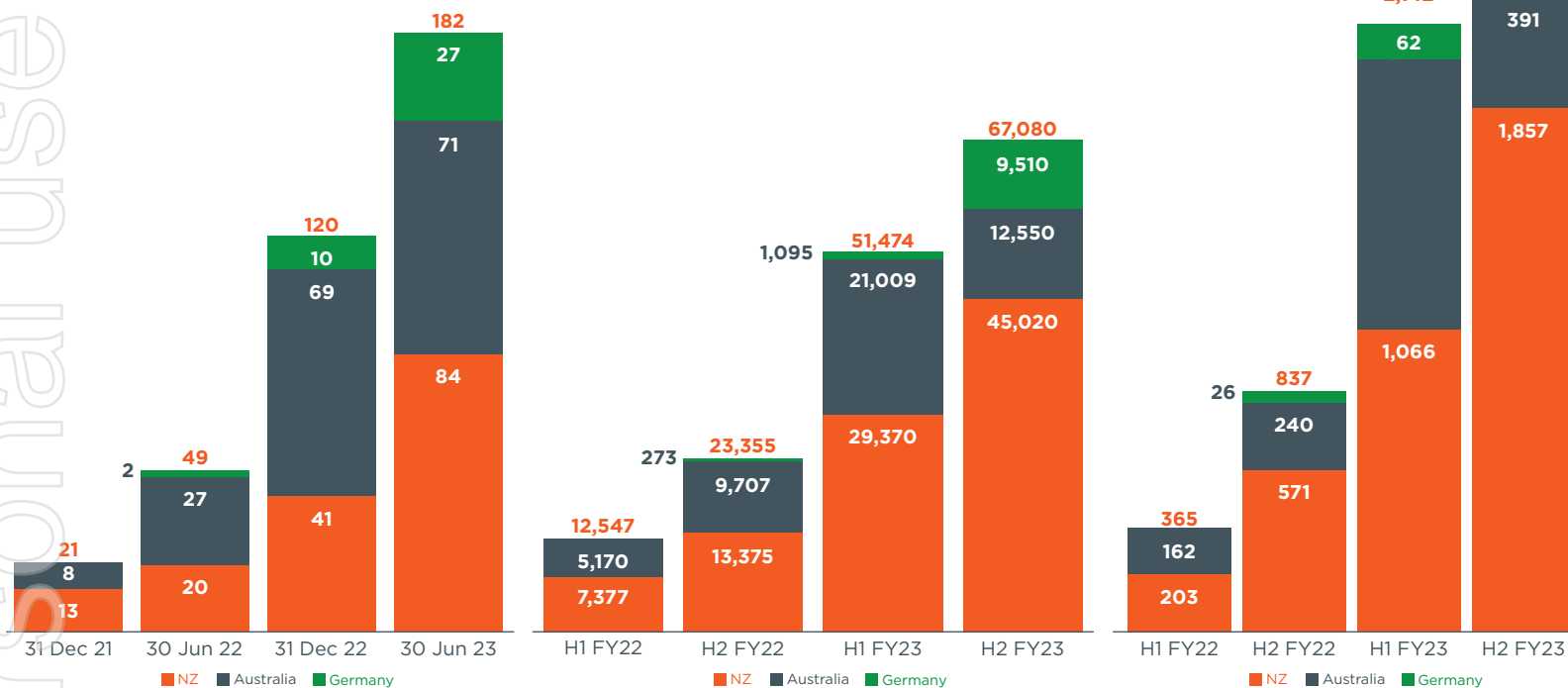
FY23 new territory sites under management up 271% on PCP

Parking Breach Notices Issued

FY23 new territory PBNs up 230% on PCP

Revenue (000s)

FY23 new territory revenue up 299% on PCP



NZ:

- NZ continues to show strong growth with 320% increase in sites under management.
- Focused sales effort in site growth has delivered 258% increase in PBN's issued and 278% growth in revenue.
- Long term growth opportunity in NZ with a TAM of 3,000 sites with ANPR potential.

Germany:

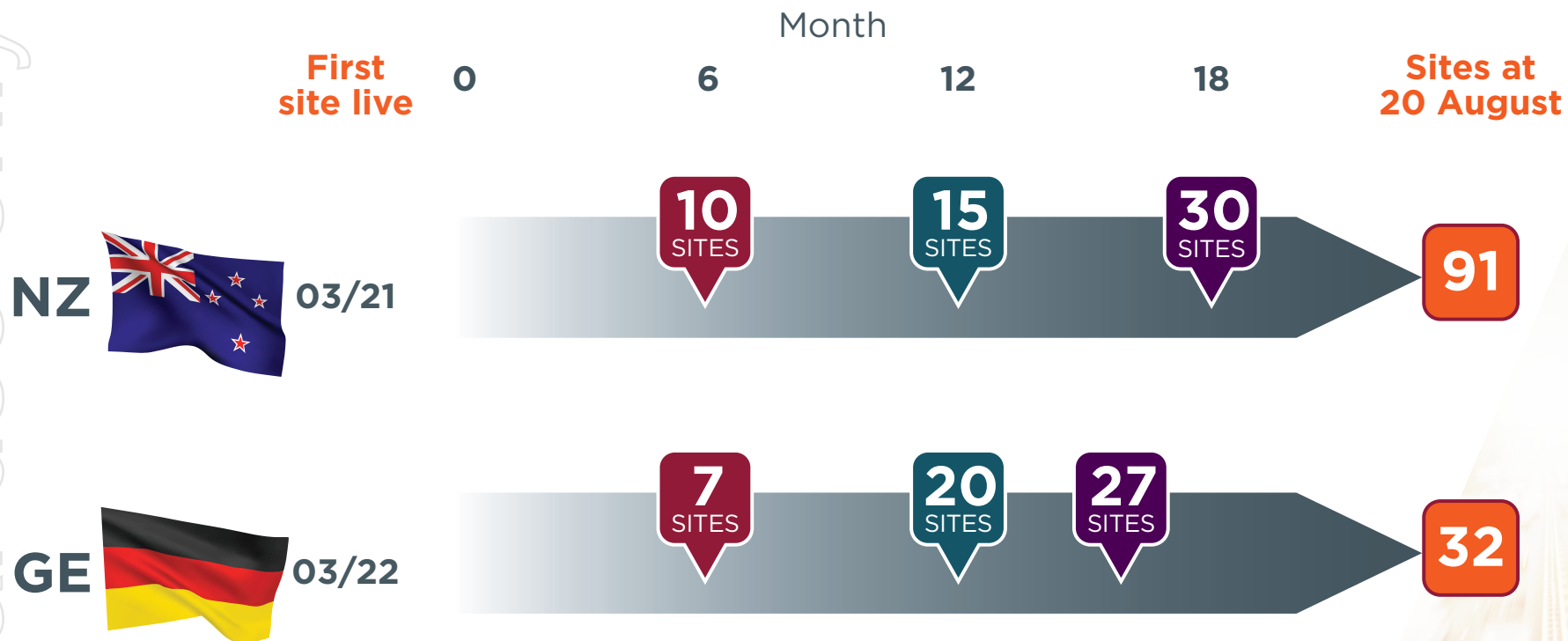
- Since starting operations on the 1st January 2022 we are starting to see the sales grow with ANPR sites under management now at 32.
- With the recent acquisition of Park Innovation the Company expects to convert some of the 46 manually operated sites to ANPR in FY24.
- Germany is the largest market SPZ currently operate in with a TAM of 90,000 sites.

Australia:

- ANPR operations were put on hold in February 2023 whilst the Queensland government conduct a consultation into the operation of private car parks.
- The consultation paper was released to stakeholders on 10th August and responses are requested by the 25th August.

Growth profile

| German site growth in line with strong NZ performance



- German growth continues to track in line with SPZ's most profitable start-up.
- Great signs for the future as Germany is the largest addressable market that the Company operates in.

New markets and M&A

| Disciplined acquisition track record - complements strong organic growth

2021



March

Successfully launched a technology driven Parking Management business in New Zealand



July

Successfully launched a technology driven Parking Management business in Queensland, Australia



August

Completed the acquisition of Enterprise Parking Solutions which has been successfully integrated into the Group

2022



January

Successfully launched a technology driven Parking Management business in Germany



April

Completed the acquisition of NE Parking and are working with customers to upgrade suitable sites from manual operations to a technology led solution



July

Completed the acquisition of ParkInnovation and working to upgrade suitable sites in Germany from manual operations to a technology led solution

2023

FY24 focus and delivery:

- Continue to deliver strong progress to the growth target of 1,500 global ANPR sites under management by June 2025.
- Execution of organic growth strategy - we are very early in the long term growth runway in large addressable markets - TAM 140,000 sites.
- Continued focus on disciplined international expansion and M&A strategy.
- German growth - keen focus on building scale in Europe's largest market - TAM 90,000 sites.
- Well capitalised to fund further strategic acquisition opportunities and new territory expansion.

** All forward-looking statements can be subject to change.*





Supplementary
Information

Smart Parking Ltd (ASX:SPZ)

A global company focused on delivering industry leading technology innovations and solutions within the parking industry

Parking management services

Provision of parking management solutions, predominantly servicing the retail sector, managing agents and land owners in the UK. SPZ has recently launched in three new territories, with accreditation achieved in NZ, Australia (Queensland) and Germany to run parking management services.

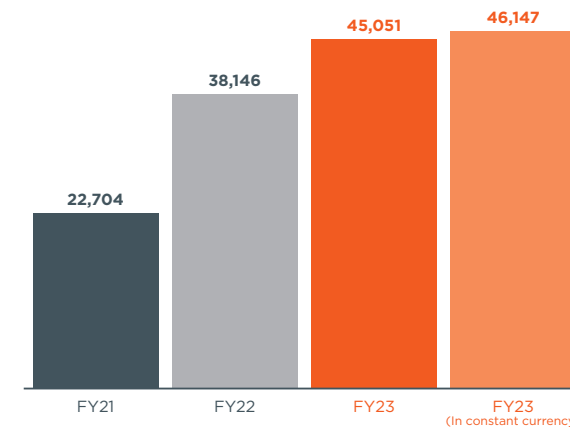
Technology

Proprietary technology to facilitate the growth of parking management services. Competitive advantage - SmartCloud allows successful plate matching with infringement business rules, mapping the full life cycle of a breach notice from issuance to payment or collection.

Research & development

Full migration of legacy UK systems to SmartCloud, completion in 2023.

Revenue (\$'000s)



OVER 13 MILLION CARS PER MONTH THROUGH THE ESTATE



OVER 31m SMARTCLOUD TRANSACTIONS PER DAY



OVER 900 CUSTOMERS WORLDWIDE



SALES AND OPERATIONS IN UK, GERMANY, NZ & AUSTRALIA

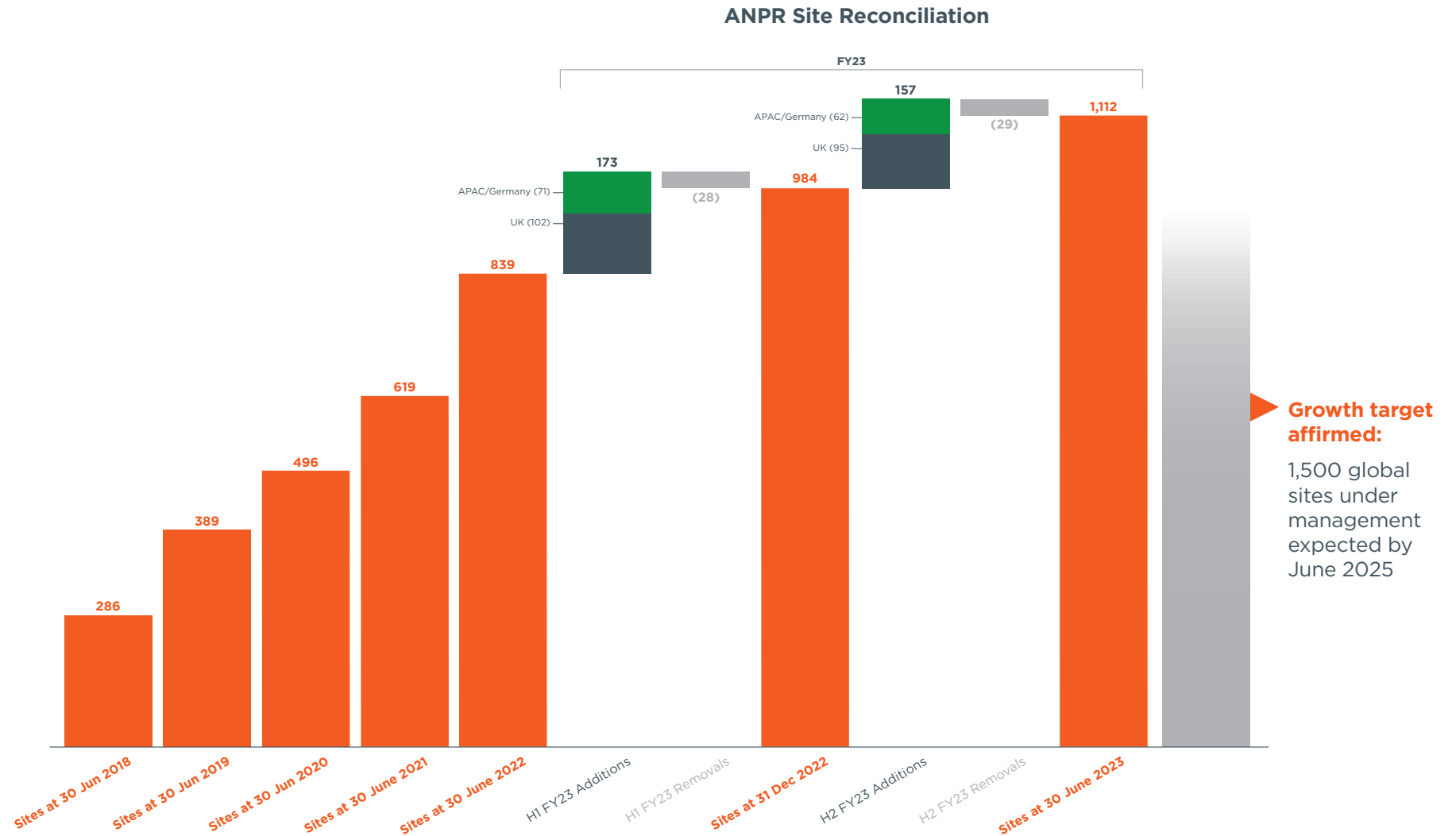
¹ In constant currency (FY22 exchange rates)

Segment reporting

(\$000's)	Revenue			Adjusted EBITDA			Adjusted EBITDA Margin	
	FY22	FY23	FY22 vs FY23	FY22	FY23	FY22 vs FY23	FY22	FY23
Parking Management	33,405	41,170	23.2%	9,717	11,410	17.4%	29.1%	27.7%
Technology Division	9,469	7,563	(20.1%)	1,087	2,031	86.8%	11.5%	26.9%
Research & Development	-	-	-	(658)	(555)	15.7%	-	-
	42,874	48,733	13.7%	10,146	12,886	27.0%	23.7%	26.4%
Corporate	2	126	6,200.0%	(1,374)	(1,356)	1.3%	-	-
Eliminations	(4,728)	(3,682)	22.1%	-	-	-	-	-
Revenue / Adjusted EBITDA excluding one-off costs	38,148	45,177	18.4%	8,772	11,530	31.4%	23.0%	25.5%

Management services – ANPR estate growth

| Over 1,100 global sites under management



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Management services: How it works

| Parking management improving customer satisfaction and revenue generation.

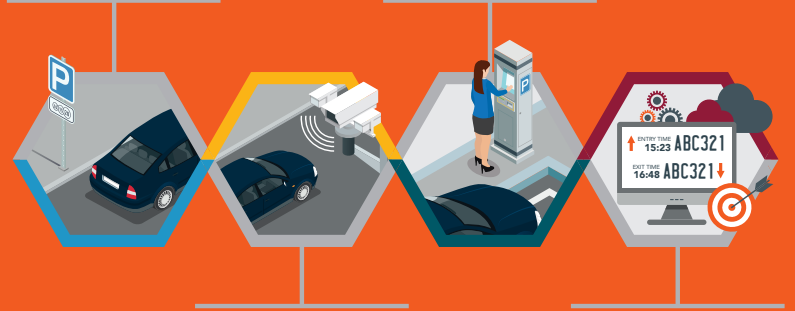
- **ANPR** | Automatic Number Plate Recognition
- **Pay & Display** | ANPR Linked Automated Payment System
- **Site Surveys** | Real-time information, analysis and trend data
- **Parking Attendants** | Trained and qualified staff
- **DPC (Disabled, Parent and Child)** | Protecting the vulnerable
- **Marshaling** | Trained, professional and customer-friendly marshals

Motorist

Enters the carpark at the defined entrance

Validation & payment

Machines facilitate pay & walk or validate parking



ANPR Recognition

Camera identifies the number plate of cars entering and leaving the premises

SmartCloud

Automates information and provides detailed reporting





ANPR: How it works

| Automatic number / license plate recognition (ANPR) is a reliable, cost effective off-street parking management solution.

It is proven to serve a wide range of industries including supermarkets, retail, hotels, hospitals and leisure centres. Smart Parking's ANPR solution ensures greater compliance and increased parking revenue.

- Ticketless, barrier-free system, parking areas that are managed 24/7
- Automatically generated and issued parking charge notices
- Increased security, comprehensive reporting and account management

Glossary

ANPR – Automatic Number Plate Recognition cameras

Adjusted EBITDA – The Board assesses the underlying performance of the Group based on a measure of Adjusted EBITDA which takes into account costs incurred in the current period but which are non-operating and/or are not expected to occur in the future.

EBITDA – represents Earnings before interest, taxation, depreciation and amortisation, and profit/loss on disposal of plant and equipment.

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