

22 May 2023**Market Announcement**

Gentrack Group Limited (NZX/ASX: GTK), a leading provider of software solutions for utilities and airports, today released its results for the half-year to 31 March 2023.

Results Summary

- Revenue: \$84.3m – up 47.7% on H1'22
- EBITDA \$16.0m – up \$14.8m over H1'22
- Statutory NPAT: \$7.9m profit v \$5.8m loss in H1'22
- Cash: \$41.9m – up \$14.5m over FY22
- No Dividend payable
- Results include substantial one-off revenues, but strong underlying growth means that both FY23 and FY24 revenue guidance have been upgraded to a range of \$157m to \$160m (from previous guidance of \$147m to \$150m for FY23 and \$150m for FY24)

Across the first half of the financial year, Gentrack has delivered impressive growth in revenue, EBITDA and cash. We continue to win new customers as well as deliver against recent wins and expand services with existing customers. We have strong net people growth and employee engagement is high, with staff turnover at an all-time low. Finally, we are proud to be working with the leaders in the sectors we serve to help them innovate and move to sustainable solutions.

Financial performance

Strong revenue results were driven by a 51.2% increase in the Utilities business to \$73.9m for this half. This included \$19.7m of revenue from Bulb and other insolvent UK customers. In December 2022, the UK Government agreed the sale of Bulb's business to another retailer who is now in the process of migrating Bulb's customers from our platform to its own. Whilst we continue to support the administrators of Bulb, the level of services we provide has now peaked and we do not expect material revenues from this customer beyond this financial year.

Notwithstanding, our underlying growth in the Utilities business, excluding insolvencies, was also impressive, up by 38.7% over H1'22. The Veovo airports

business also grew strongly, up 26.7% on H1 '22 to \$10.4m with growth in recurring and non-recurring revenues, up 15% and 57% over H1'22 respectively.

EBITDA performance was \$16m, \$14.8m higher than H1'22. This growth in EBITDA has been achieved whilst continuing to invest in strategic R&D and increasing our sales & marketing spend to support international expansion.

With strong cash conversion from EBITDA, net cash as of 31 March 2023 was \$41.9m, which is an increase of \$14.5m from the end of the last financial year.

This half year marks a return to an NPAT profit of \$7.9m against an NPAT loss made last year. Gentrack's Utilities and Veovo businesses both operate in markets with strong growth potential. The Board continues to believe that the best use of the company's capital is to continue to invest in growth. We have therefore decided not to pay an interim dividend.

Growing our energy customers

Our underlying growth in Utilities demonstrates we are doing more with both new and existing energy customers in the markets we serve.

EnergyAustralia, a new customer for Gentrack this half year, went live in March with its innovative, ground-breaking product 'Solar Home Bundle' on our cloud billing solution. They have migrated their existing Solar Home Bundle customers to the new platform, an integrated solution including digital consumer engagement, field services management and automation, and a Virtual Power Plant (VPP) solution.

In New Zealand, we are working with Mercury, a customer win for Gentrack last September, to migrate their customers from SAP across to our multi play platform that will support Mercury to deliver premium offers, multi play bundles across B2C and B2B energy and communications services and a high level of digital engagement with its customers.

Growing our water customers

We are doing more with our water customers across the globe. We support, through leading water retailers, more than 50% of the UK's businesses with water solutions. We recently completed the migration of Scottish Water Business Stream's 200k+ business customers from three legacy systems to our cloud-based solution. In Australia, we have won another water customer during this half year, and we are working to migrate a new customer we secured last year across to our platform. In Fiji, we have agreed with one of our existing customers, the Water Authority of Fiji, to modernise their platform and transform their business.

Targeting international expansion for Utilities

In November, we announced our plan to expand our international footprint, beyond our core markets in the UK, Australia, and New Zealand. This year, we have opened an office in Singapore, and are growing the local team to both support the

migration to our platform at one of Singapore's large energy retailers (customer win in 2022) and to target new business in the wider Asian region.

During the period, we built our EMEA business development team, based from our London office, and are actively pursuing opportunities across Europe and the Middle East.

We are pleased with our progress in building our capability and growing our pipeline in these new regions. The Salesforce relationship, an essential part of g2.0, our next generation platform, has greatly benefited our pipeline development.

Growing our airport customers

We are seeing a strong recovery across the aviation and airports industry. Passenger numbers are trending close to pre-pandemic levels, driving airports to look to technology to help them handle more passengers with fewer resources than before. For Veovo, this has meant strong demand for upgrades to our latest "R8 Platform" for Aero-Billing and Airport Operations. This, together with some significant expansions in deployments of our passenger flow solutions, is driving growth within our current customer base. We have also gone live at our first Tier 1 airport for our managed service offering.

Veovo's pipeline of new customer opportunities has also significantly strengthened across the last year as airports globally look to undertake digital transformations.

Looking Forward

We are pleased with the progress made this half year on sales and building our pipeline, delivering against recent customer wins, on-boarding new people into our team, building our overall people capability, and continuing to innovate with great technology.

We are excited about the transformation capabilities required by the industries that we serve. For airports, we are seeing pent-up demand being unleashed in modernisation programs. For utilities, no other market requires the level of modernisation that the IT systems in both the energy and water markets require. It is an exciting time to be in these dynamic markets.

In the second half of the financial year, we continue to expect growth across all our customer base excluding revenues from insolvent UK customers. For insolvent UK customers we expect lower revenues in H2 '23 than H1 '23 and generally a wind down of revenues from these insolvent customers by the end of the financial year. As a result, our full year revenue for FY23 is expected to be in the range of \$157m to \$160m with EBITDA for the year of approximately \$22m.

The strong underlying growth in both Utilities and Veovo means we are able to upgrade our revenue guidance for FY24 to be in line with the revenue expected in FY23 despite the loss of 'one off' revenues of c.\$25m from insolvent UK customers.

Guidance

For FY23, the Group expects revenue to be between \$157m and \$160m. This is an increase over our previous guidance of \$147m to \$150m. We still expect FY23 revenue will include c.\$25m from insolvent UK customers, with the higher revenue guidance a result of faster growth across the rest of our business. We expect EBITDA for FY23 to be c.\$22m.

The strong underlying growth in both Utilities and Veovo means we are also able to upgrade our revenue guidance for FY24, from the prior guidance of \$150m, to be in line with FY23 revenue despite the loss of 'one off' revenues of c.\$25m from insolvent UK customers. Our targeted EBITDA margin for FY24 remains at 12% to 17%.

Presentation Results

Investors are invited to join the presentation of the Half Year Results on Monday 22nd May at 10.30am NZT/ 8.30am AEST via webcast:

https://event.webcasts.com/starthere.jsp?ei=1611330&tp_key=018edc76f5

It is advised that attendees allow ten minutes prior to the start time to register and download any necessary webcast software.

To join via audio only, please see details here: <https://gentrack.com/half-year-results-2023-briefing-details/>

ENDS

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About Gentrack

For over 30 years Gentrack has been partnering with the world's leading utilities. More than 50 energy and water companies rely on Gentrack. Our g2.0 solution combines this wealth of experience with Salesforce's unbeatable CRM, Gentrack's leading meter-to-cash platform, and a composable architecture on AWS. g2.0 ensures high performance, security, scalability, and rapid prototyping for innovation at pace. When it comes to transformations, you can count on us.

<https://www.gentrack.com>