



Gentrack Group FY24 Half Year Update

20 May 2024

[NZX/ASX: GTK]

Disclaimer

This presentation may contain forward-looking statements. Forward-looking statements often include words such as 'anticipate', 'expect', 'plan' or similar words in connection with discussions of future operating or financial performance.

The forward-looking statements are based on management's and directors' current expectations and assumptions regarding Gentrack's business and performance, the economy and other future conditions, circumstances and results. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Gentrack's actual results may vary materially from those expressed or implied in its forward-looking statements.

All figures are shown in NZ\$M.





Gentrack

HY24 Business Review

Gary Miles
Chief Executive Officer



Financial Headlines

Revenue growth of 21%

Utilities revenue up 17%:

- This is despite one off revenues of \$19.7m from insolvent UK customers in the prior period. Our last UK customer to become insolvent was early in FY22 and all had fully exited by end of last financial year.
- Prior period wins & upsells pushing ARR 49% higher. NRR up 85% including start of Genesis g2.0 transformation and new customer win in Saudi Arabia.

Veovo revenue up 49.4% at \$15.5m (24% up excl. \$3.8m of hardware sales). Strong project revenues (NRR up 112%) from airport wins in the UK and Middle East. ARR growth remains strong at 16%.

EBITDA at \$12.3m and tracking well against our FY24 guidance. Prior period included \$19.7m one-off, high margin revenue from insolvent customers.

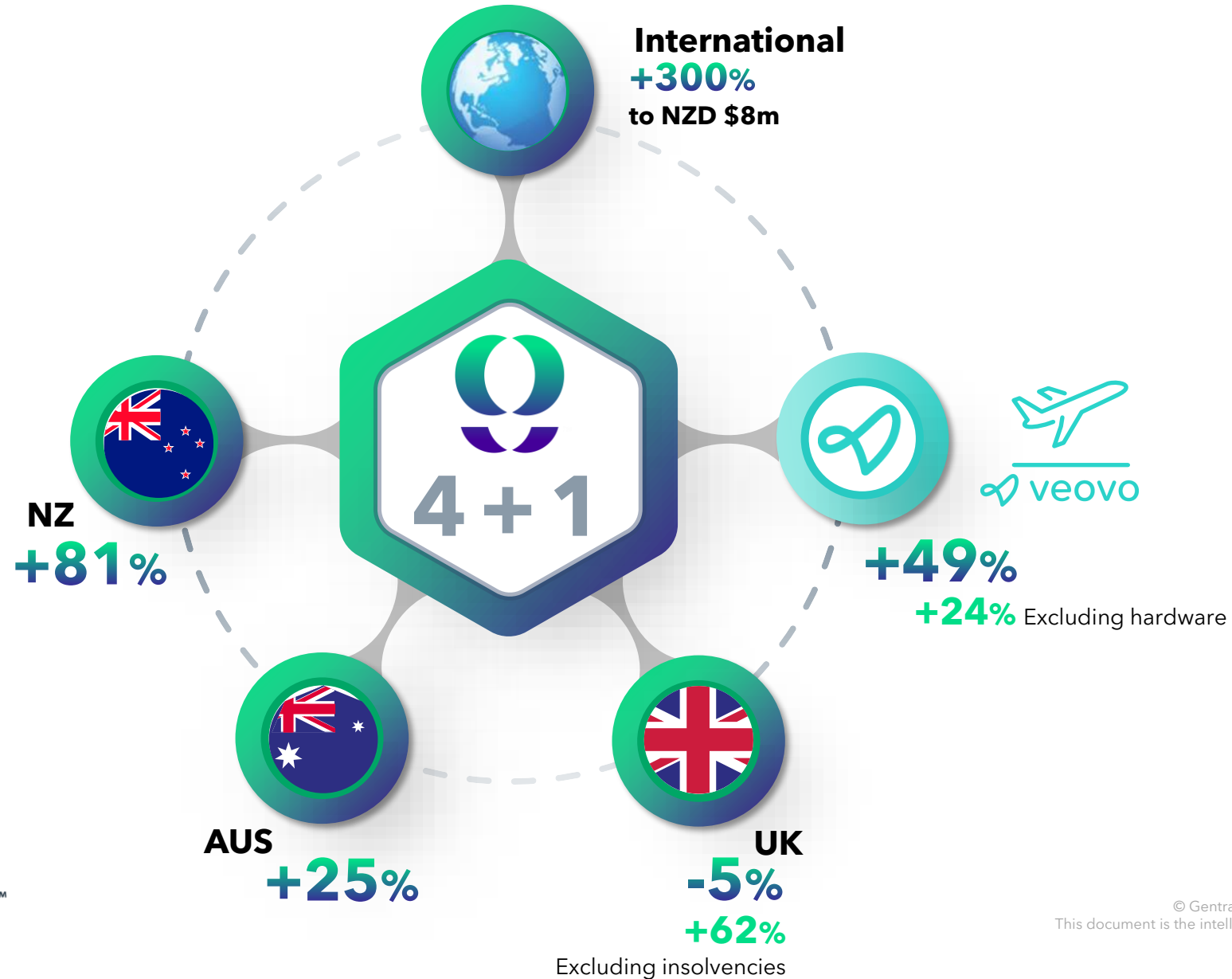
Cash, after investing \$12.9m in Amber, was **\$39.3m** v \$41.9m at HY23. Business remains debt free.

	HY23	HY24	
REVENUE	\$84.3M	\$102.0M	↑ 21.0%
UTILITIES REVENUE	\$73.9M	\$86.5M	↑ 17.0%
VEOVO REVENUE	\$10.4M	\$15.5M	↑ 49.4%
ARR excl. insolvent customers	\$45.4M	\$65.4M	↑ 44.2%
EBITDA	\$16.0M	\$12.3M	↓ -23.0%
NET CASH after \$12.9m Amber Investment.	\$41.9M	\$39.3M	↓ -6.2%

Outlook: Upgrade for FY24 Revenue and EBITDA

Both Utilities and Veovo continue to grow strongly as a result of recent wins and customer upgrades and so we are able to upgrade our previous revenue guidance of at least \$170m for FY24, to new guidance of c.\$200m for FY24. Against this higher revenue guidance, and whilst continuing to invest in strategic R&D and international expansion, EBITDA is expected to be between \$23.5m and \$26.5m (12%-13%). This compares to our previous guidance of between c. \$20.5m and \$25.5m.

Our 4+1 Engines of Growth



Momentum going forward

Growing pipeline in core markets and internationally

South-East Asia

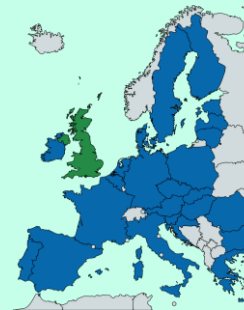
Focusing on pipeline on 5 key target markets



Europe & Middle-East

Large and dynamic market with 200+ target utilities

ME HQ in Saudi Arabia



AUS & NZ

Clear market leader

Growth and innovation continues

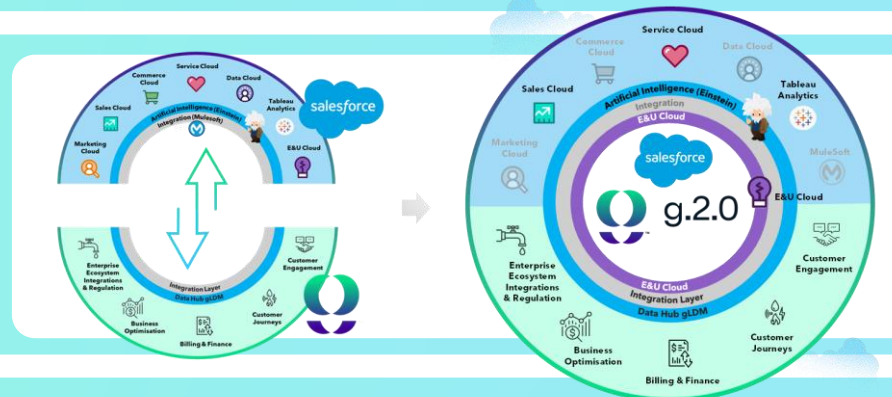


Our technology



G2 strategy is validated and well accepted

- G2 was the right technology choice
- Recognised by major analysts as leading solution
- Resonating well with existing customers
- Pipeline continues to expand



Gentrack strategic investment of NZD \$12.9m in Feb 2024



- Business performing well, above targets
- EV product development on track
- Billing transformation underway
- Strong interest from European Tier-1s

veovo Airport Division Takes Off

Win new airports



3

New airports in the **UK** and continued **Saudi** expansion since the start of the FY



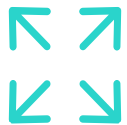
MAG Manchester Airport

MAG London Stansted Airport

MAG East Midlands Airport



Upsells & Renewals



3

Upgrades signed

SYD
Sydney Airport

2

Transformation projects go-live

LONDON GATWICK

Schiphol

Numerous upsells, including in

5 tier-1 airports

brussels airport
the heart of Europe

Continuous innovation to meet strong demand for **digital transformation**

Sustainability at the heart of Gentrack's DNA



Sustainability Platform Launched

March 22nd 2024



Achieved **100% Renewable Energy**

Our Melbourne, Auckland and London offices now fully on green energy



3,890 trees planted since April launch

Trees Planted through Ecologi



Sustainability Challenge in April



1.6M Litres

Water Saved



6,642 Items

Single Use Plastics Saved



52,817kg

Carbon Savings



9,076m2

Land use avoided



9 events globally over last 6 months

Organised by our Global Sustainability Task Force (GSTF)



CEO Closing Remarks

Both the airport and utilities industries are undergoing major transformation as is evidenced by Gentrack's strong growth. They are great industries.

Gentrack's stated ambition is to grow more than 15% CAGR over the medium term.

For utilities, our core markets are modernizing in advance of most countries. The strong growth in these markets validates the scale of change other countries will need to undergo.

In Europe, the Middle East and AsiaPac our pipeline is strengthening and maturing. We have had early international success, but due to sales cycles, we do not expect to have material contracts signed until FY25.

For Veovo, our focus on major airports is paying off. The industry is taking steps to transform and digitize which we are well placed to win and serve.

We will continue to assess M&A opportunities as they arise.

We continue to add blue chip investors to the register (69% institutional investors at April 30th) and we want to thank an engaged investor community for participating on this exciting journey.



Gentrack

HY24 Results

John Priggen
Chief Financial Officer



Group Profit and Loss

NZ\$m

	HY23			HY24			YoY %
	Utilities	Veovo	Total	Utilities	Veovo	Total	
ARR	38.6	6.8	45.4	57.6	7.9	65.5	44%
NRR	15.6	3.6	19.2	28.9	7.6	36.5	90%
Insolvent Customers	19.7	-	19.7	-	-	-	-100%
Revenue	73.9	10.4	84.3	86.5	15.5	102.0	21%
Operating Costs	-59.8	-8.5	-68.3	-76.6	-13.1	-89.7	31%
EBITDA	14.1	1.9	16.0	9.9	2.4	12.3	-23%
EBITDA %	19%	18%	19%	11%	15%	12%	
Depreciation & Amortisation			-4.1			-4.4	8%
Foreign Exchange Gains/Losses			0.1			0.8	>100%
Net Finance Expense			-0.6			-0.2	-68%
Share of Amber's Loss			0			-0.3	
Income Tax Charge			-3.5			-2.9	-17%
NPAT			7.9			5.3	-32%

Revenue up 21%. Strong growth at both Veovo and Utilities.

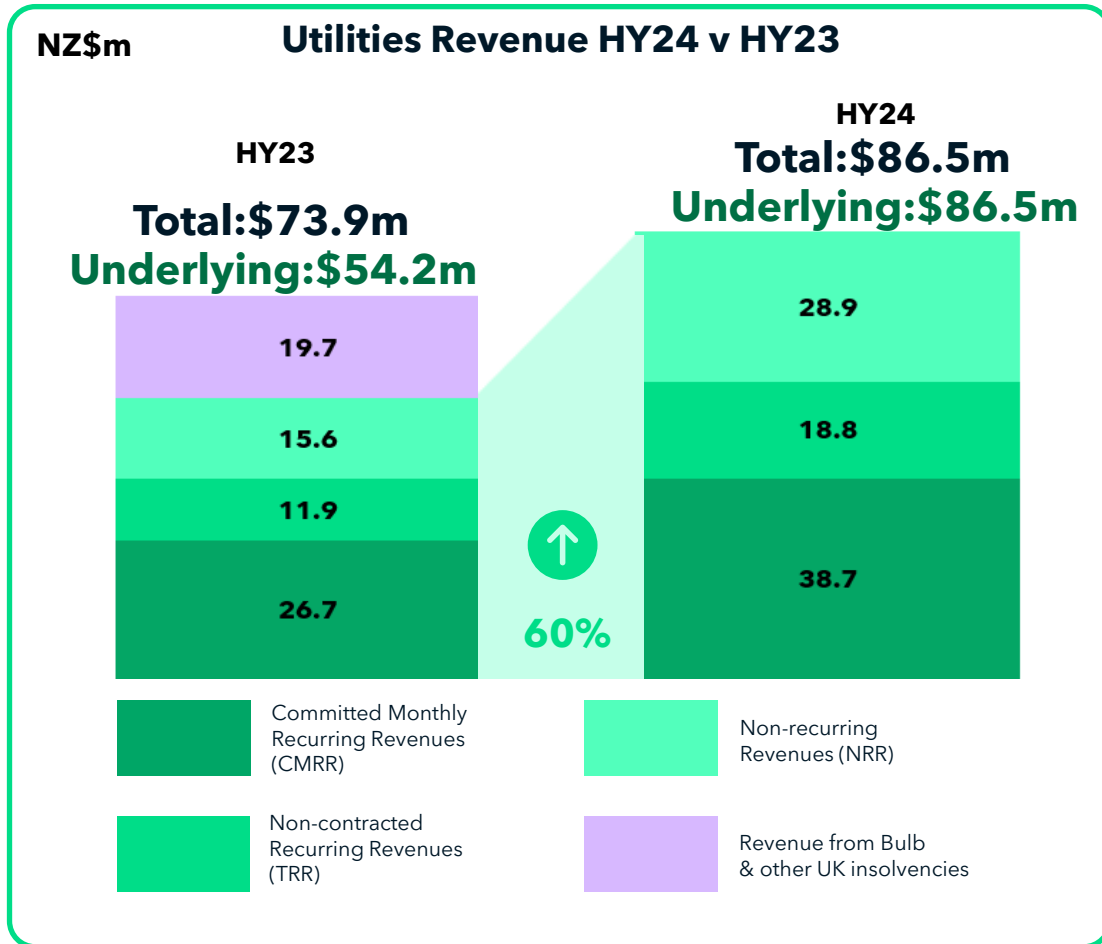
Operating costs up 31% to support higher revenue and higher investment in R&D & international expansion. Veovo's costs include higher hardware costs than prior period to support its NRR.

EBITDA at \$12.3m. As previously signposted, HY23 included one-off profits from insolvent customers.

Amber: is accounted for as an Associate. We book our share (10%) of its results since the date of our investment. Its results are in line with our expectations.

1 Underlying EBITDA being earnings before depreciation, amortisation, impairments and non-operating expenses related to acquisitions. EBITDA is a non-GAAP measure

Utilities Revenue Analysis



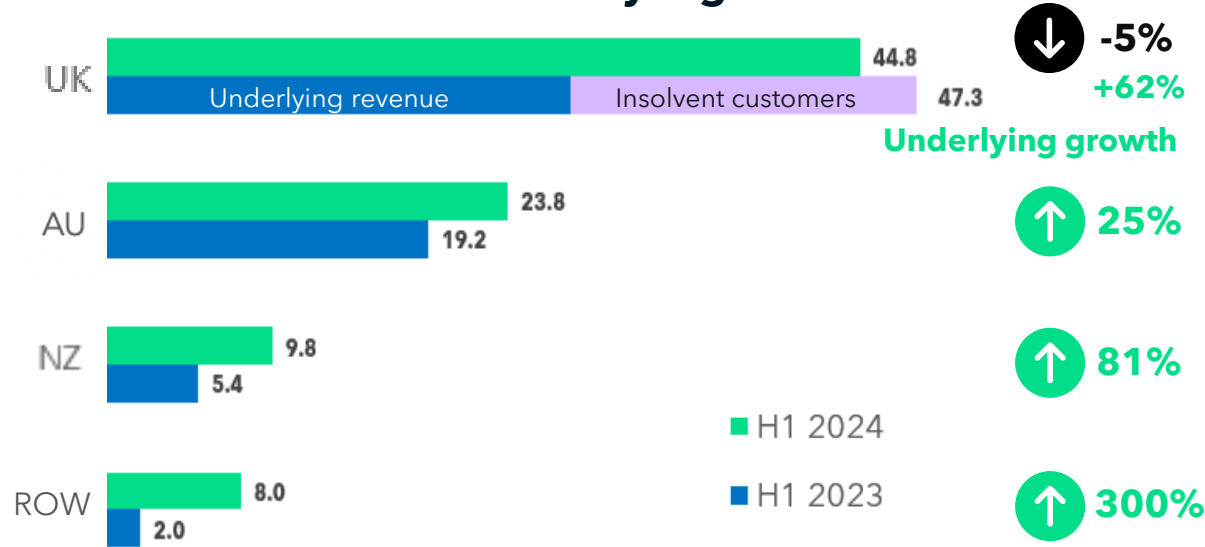
Total revenue up 21% v HY23

- Strong underlying growth (excl. Bulb & other insolvent customers) - up 60% v HY23.
- Major projects starting during the period including in Saudi Arabia (new customer secured Oct 23) & Genesis Energy helped drive our non-recurring revenues 85% higher.
- Wins and upsells from prior periods increased recurring revenues (CMRR & TRR) by 49% over HY23.

Utilities – Analysis of Revenue

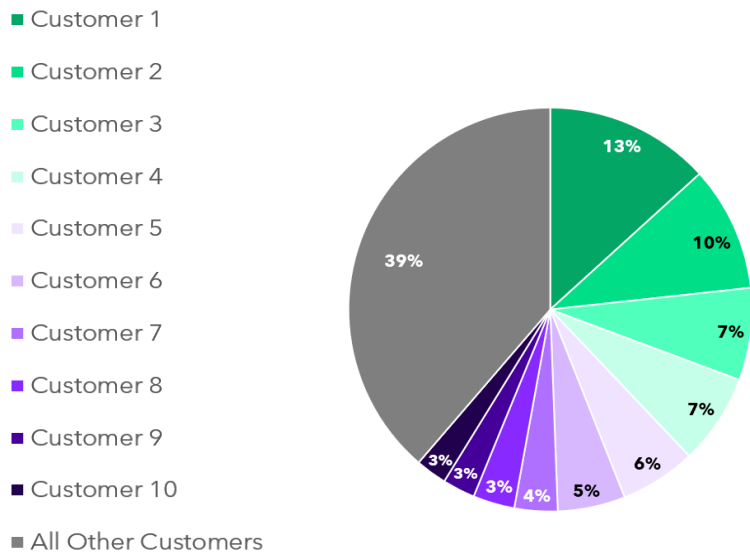
NZ\$m

HY24 v HY23 Revenue by region

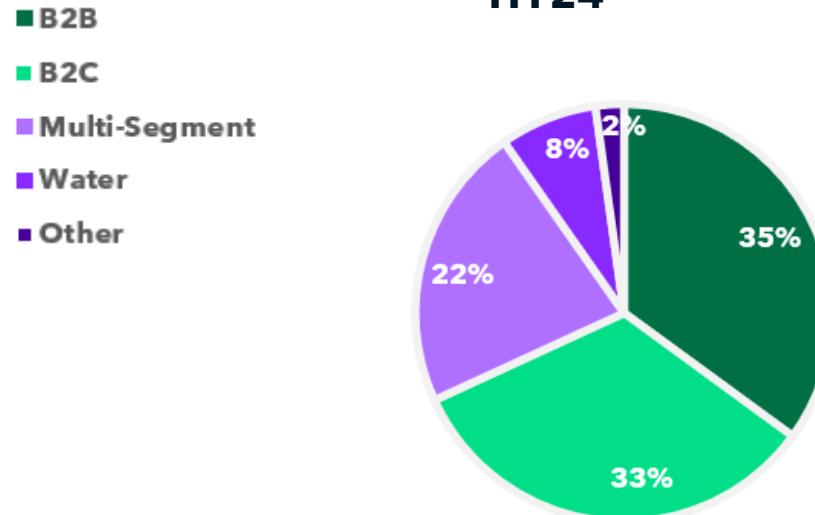


- Strong underlying growth across all regions.
- ROW - HY24 includes Saudi Arabia alongside revenue from customers in Singapore, Fiji & Papua New Guinea.
- High level of project revenue increased customer concentration from c.50% to 61%

Top 10 customers by revenue HY24



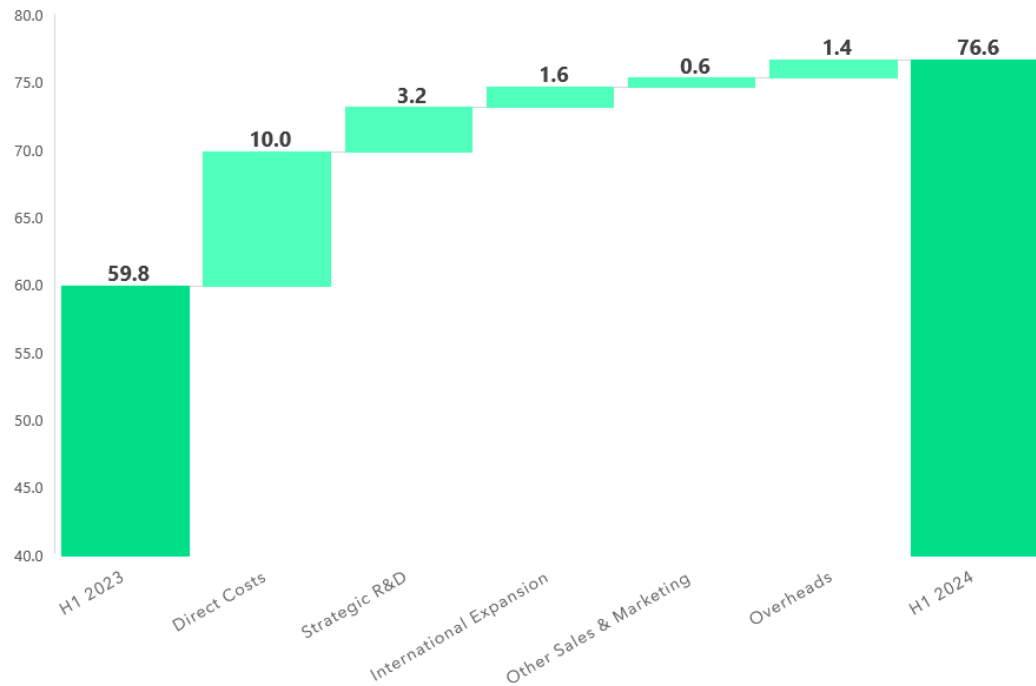
Revenue by market segment HY24



Utilities Expenditure Analysis

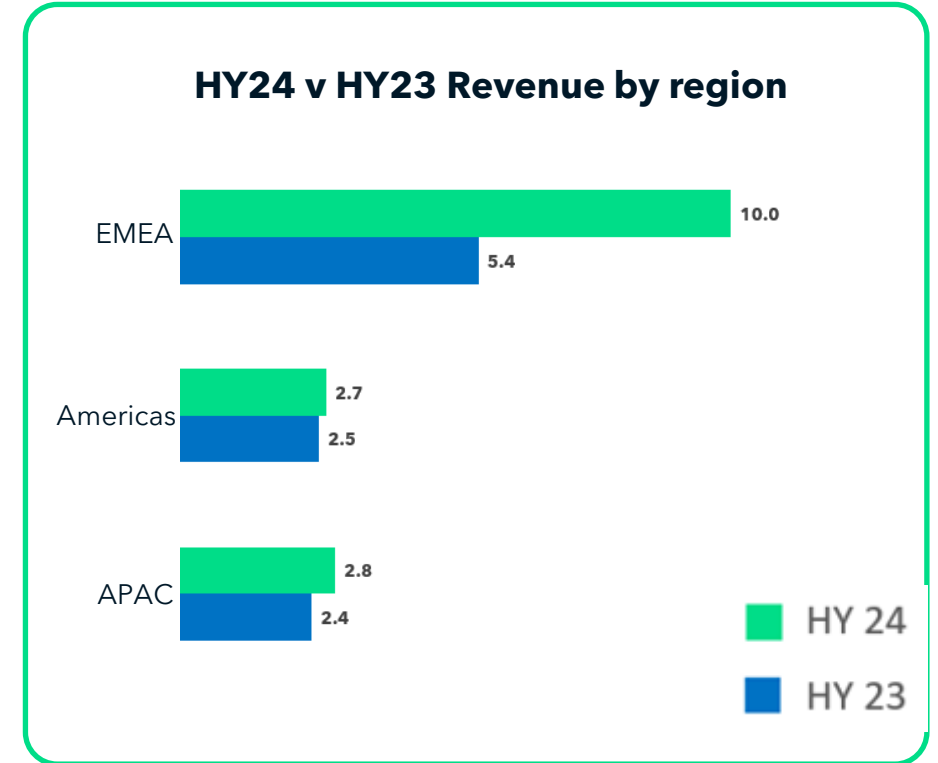
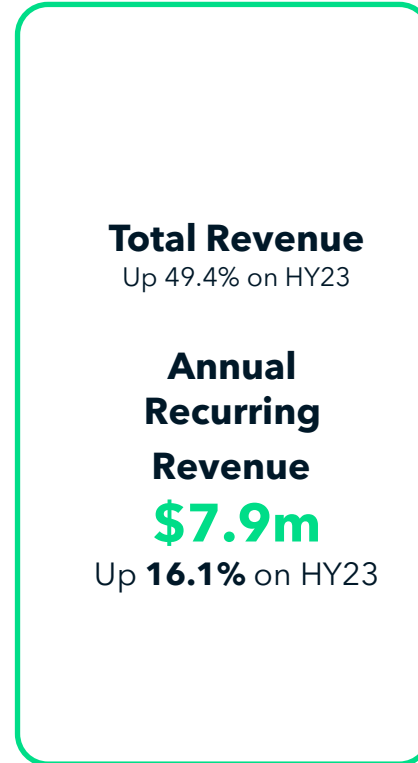
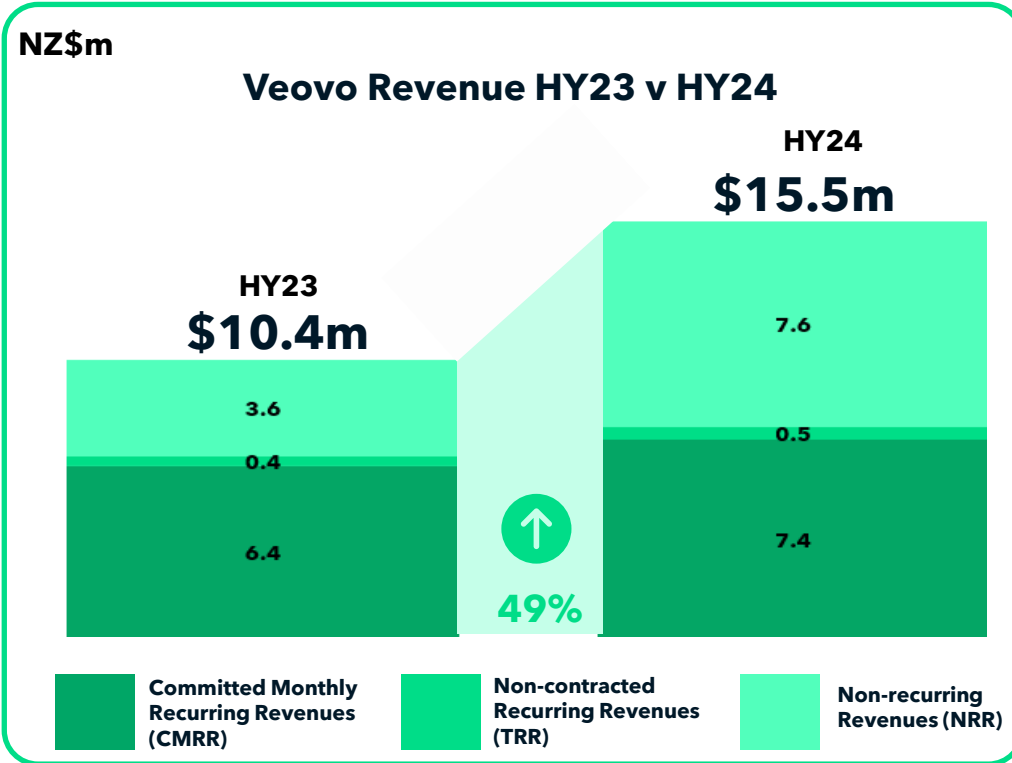
NZ\$m

Utilities Costs HY23 v HY24



- \$10m increase in direct costs, in people & hosting, to support higher revenues.
- Higher investment in strategic R&D (up \$3.2m).
- Investment in international expansion (Asia & EMEA) up \$1.6m over prior period to \$3m for HY24.

veovo Revenue Analysis



- Revenue up 49.4% driven by new customer wins in the UK and the Middle East.
- NRR at \$7.6m (up 112%) includes \$3.8m (\$1.1m in HY23) of revenue from sales of hardware and related services sourced from our supplier network.
- Customer wins and upgrades from prior periods has pushed ARR up by 16%.

Cashflow

NZ\$m

Net Cash at 30th September 2023	49.2
EBITDA	12.3
Change in working capital	-9.7
Tax	-3.8
Capex	-0.5
Property leases	-1.7
Net Interest Received	0.3
LTI share schemes (non cash item in EBITDA)	5.3
Foreign exchange	0.8
Underlying Cash Generated in Period	3.0
Investment in Amber	-12.9
Net Cash at 31st March 2024	39.3

- Cash at 31 March 2024 was \$39.3m. We have no debt but retain an undrawn \$25m credit facility.
- Underlying cash generated in the period was \$3m, before investing \$12.9m in Amber in February 24.
- We expect the working capital outflow for the full year to materially narrow in H2. (H1 includes payment of annual staff bonuses accrued from prior year)
- We expect tax, capex, property lease payments and the add back to EBITDA re: LTI share scheme to be at similar levels in H2 as shown here for H1.



Q&A




Reconciliation to interim statement

NZ\$m

	HY23			HY24			YoY %
	Utilities	Veovo	Total	Utilities	Veovo	Total	
Annual Fees	21.6	6.4	28.0	25.1	7.4	32.5	16%
Support Services	11.9	0.4	12.3	18.8	0.5	19.3	57%
Managed Services	5.1	-	5.1	13.6	-	13.6	168%
Underlying recurring revenue (CMRR & TRR)	38.6	6.8	45.4	57.5	7.9	65.4	44%
Project Services	15.5	2.4	17.9	28.2	3.4	31.6	77%
License Fees	-	0.2	0.2	0.7	0.5	1.2	470%
Other	-	1.1	1.1	-	3.8	3.8	259%
Non recurring revenue (NRR)	15.5	3.6	19.1	28.9	7.6	36.6	91%
Revenue from insolvent customers	19.7	-	19.7	-	-	0.0	-100%
Total Revenue	73.9	10.4	84.3	86.5	15.5	102.0	21%

- This shows how CMRR; TRR; NRR and revenue from insolvent customers shown in this presentation reconciles to revenue disclosure in the Interim Statements.
- For HY23, the \$19.7m revenue from insolvent customers is disclosed in the Interim statements as \$5.2m of annual fees \$0.1m of support services and \$14.4m from managed services.

HY24 on a Constant Currency Basis

NZ\$m	HY24	HY24 Constant Currency	Difference	 %
Revenue	102.0	98.9	-3.1	-3.1%
Operating Costs	89.7	86.9	-2.8	-3.2%
EBITDA	12.3	12.0	-0.3	-2.4%
Statutory NPAT	5.3	5.3	-0.0	-0.1%



Thank you