



# Gentrack Group FY23 Earnings

28 Nov 2023

**[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

## FY23 Business Review

**Gary Miles**  
Chief Executive Officer



# Financial Headlines

## Revenue growth driven by **36.7%** increase at Utilities

- Customer wins & upsells to existing customers driving underlying growth. Excluding customers in insolvencies, revenue up **47.0%**
- Revenue from Bulb and other insolvent UK customers was \$27.6m. We do not expect further revenue from these customers in FY24.

## Veovo revenue up **21.3%** at **\$21.9m**

- Continued strong growth in ARR (up **15%**)

## EBITDA at **\$23.2m** (\$15.1m higher)

- Revenue growth delivering EBITDA growth. All R&D investment expensed in the year.

## Cash at **\$49.2m** is **\$21.8m** higher than last year end

- High level of EBITDA to cash conversion
- No debt

	FY22	FY23	
REVENUE	\$126.3M	\$169.9M	↑ 34.5%
UTILITIES REVENUE	\$108.2M	\$147.9M	↑ 36.7%
VEOVO REVENUE	\$18.1M	\$21.9M	↑ 21.3%
ARR excl. insolvent customers	\$69.4M	\$105.0M	↑ 51.2%
EBITDA	\$8.1M	\$23.2M	↑ 185%
NET CASH	\$27.4M	\$49.2M	↑ 79.6%

# Outlook Update

The strong underlying growth in both Utilities and Veovo means we are able to upgrade our revenue guidance for FY24, from the prior guidance of being between \$157m to \$160m to being at least in line with FY23 revenue at c.\$170m despite the loss of 'one off' revenues of \$27.6m from insolvent UK customers. Against this higher revenue guidance, EBITDA is expected to be between \$20.5m and \$25.5m (12%-15%). This compares to our previous guidance which would have given a range of between c. \$19m and \$27m.

# 100%

of utilities will have to transform in the next decade to meet **Energy Transition / Net Zero objectives**, one of the world's most significant imperatives.

Gentrack is at the heart of this transformation with one of the **leading propositions** on the market:

- g2.0 best-in-class billing, crm, energy mgt stack
- proven transformation services capabilities
- a world class management team
- 5000 person years of utility experience



Gentrack momentum continues, growing revenues ↗, employees ↗, customers ↗ & value ↗  
We invite the investor community to join us on this essential wave of change

# Our scorecard for 'Grow in our core markets'



Implement booked wins in Australia, New Zealand and UK

Regional growth revenue compared to FY22:



22%  
AUS



83%  
NZ



56%  
UK

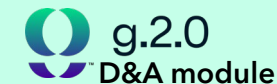


Upsell G2, cloud services & innovation highway to all existing customers

1st **G2 full-stack transformation** project. Strong pipeline and upsell to customer base

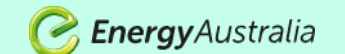


Example g2.0 add-on: **Data, Analytics & AI - 13 customers**



Reach new energy customers and grow our water footprint

**New age energy** success with Solar & Battery bundles



**3 new managed services** customers in the UK



For water: new win in Australia; UK transformation completed; Fiji modernization and pipeline growth.



# Scorecard for 'Expand in EMEA and Asia'



Company geographic expansion:

in **EUROPE and MIDDLE-EAST**

in **SOUTH-EAST-ASIA**

We established our Middle-East hub in Riyadh (Saudi Arabia)



We closed our **first major contract** with energy & water provider in Saudi Arabia



We opened our **Singapore hub**,  
↗ local team, keep ↗ ↗ pipeline



Employees growth to support our business activities

Staff numbers reached ~750 (c.30% growth over FY22)  
Staff turnover at an all-time low

Successfully scaling India - now **100+** employees





# Airport Division Growth Accelerating



## Win new airports

5

Major new airport customers including UK and Middle East

**Doubled+**  
the sales pipeline



## Expand the base

5

upgrades signed

4

transformation projects go-live, including first managed services

Numerous upsells, including in  
**5** tier-1 airports



## Innovate

Migrated to **new cloud tech stack** to reduce cloud cost

**Machine learning pilot** for future EU regulation

**Forecasting pilot** in tier-1 US airport

Strong demand for **digital transformation** across the airport sector



# Gentrack

## FY23 Results

**John Priggen**  
Chief Financial Officer

# Group Profit and Loss

NZ\$m	Utilities		Veovo		Group	
	FY22	FY23	FY22	FY23	FY22	FY23
<b>REVENUE</b>	<b>108.2</b>	<b>147.9</b>	<b>18.1</b>	<b>21.9</b>	<b>126.3</b>	<b>169.9</b>
Personnel Costs	82.8	104.5	13.5	13.5	96.3	118.0
Other Costs	19.5	23.9	2.4	4.8	21.9	28.7
<b>TOTAL COSTS</b>	<b>102.3</b>	<b>128.4</b>	<b>15.9</b>	<b>18.3</b>	<b>118.2</b>	<b>146.7</b>
<b>EBITDA</b>	<b>5.9</b>	<b>19.5</b>	<b>2.2</b>	<b>3.7</b>	<b>8.1</b>	<b>23.2</b>
					Depreciation and Amortisation	(10.7) (8.5)
					Other Income (R&D Tax Credit)	0.0 1.6
					Net Finance Expense	(0.9) (1.3)
					Income Tax	0.1 (5.0)
<b>REPORTED NET PROFIT/(LOSS) AFTER TAX<sup>1</sup></b>						<b>(3.3) 10.0</b>

**Revenue up 34.5% vs FY22:** Strong growth at both Utilities & Veovo.

**Costs up 24% vs FY22** to support revenue growth and continued investment in R&D (all expensed in the year) and Sales.

**EBITDA up \$15.1m at \$23.2m**

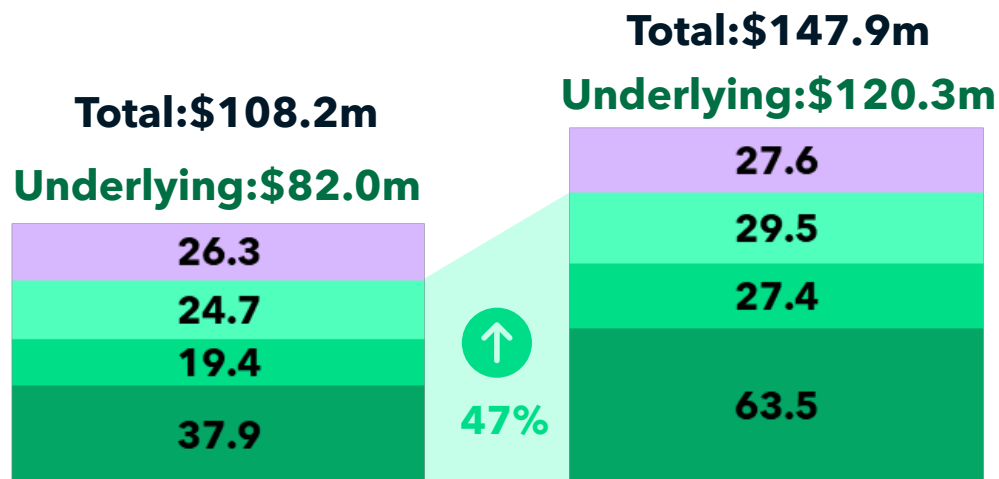
**R&D tax credit of \$1.6m** in UK (claim covers two years). Changing tax rules will make this less generous in future years.

**NPAT profit of \$10m v \$3.3m loss in FY22**

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

# Utilities Revenue Analysis

## Utilities Revenue FY23 v FY22 NZ\$m



FY22

FY23

Committed Monthly Recurring Revenues (CMRR)

Non-recurring Revenues (NRR)

Non-contracted Recurring Revenues (TRR)

Revenue from Bulb & other UK insolvencies

## Total revenue up 36.7% v FY22

Strong underlying growth (excluding the \$27.6m from Bulb & other UK insolvencies):

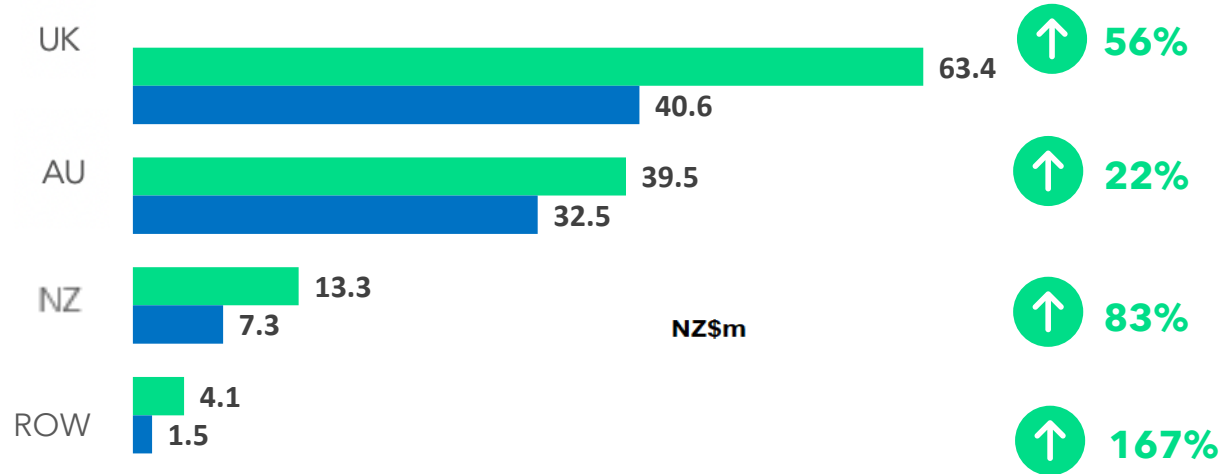
- 47% growth in total underlying revenues.
- 59% growth in underlying recurring revenues (CMRR & TRR).

Growth from delivering on recent customer wins and upsells to existing customers.

In line with prior guidance, we expect no further revenue from Bulb/insolvent UK customers in FY24.

# Utilities - Analysis of Underlying Revenue

**FY23 v FY22 Revenue by region** excl. insolvencies

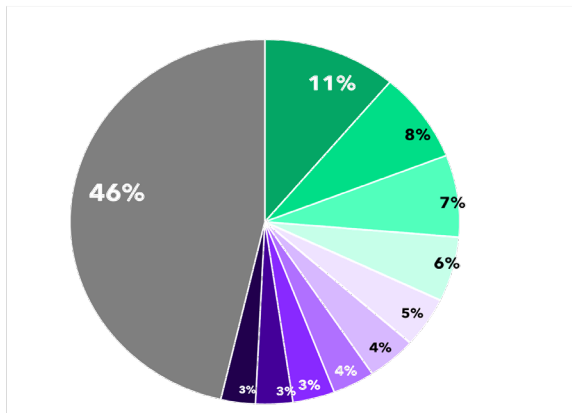


- Strong underlying growth across all regions.
- ROW - growing international footprint with c.\$4m revenue from customers in Singapore, Fiji & Papua New Guinea.
- Strong growth in both energy and water

**Top 10 customers by revenue**  
**FY23**

- Customer 1
- Customer 2
- Customer 3
- Customer 4
- Customer 5
- Customer 6
- Customer 7
- Customer 8
- Customer 9
- Customer 10
- All Other Customers

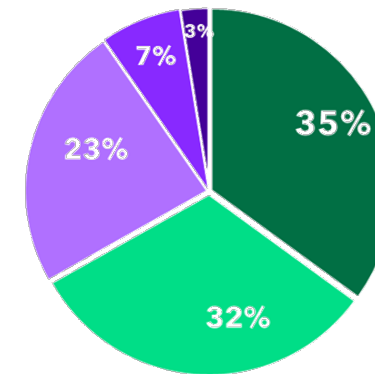
excl. insolvencies



**Revenue by market segment**  
**FY23**

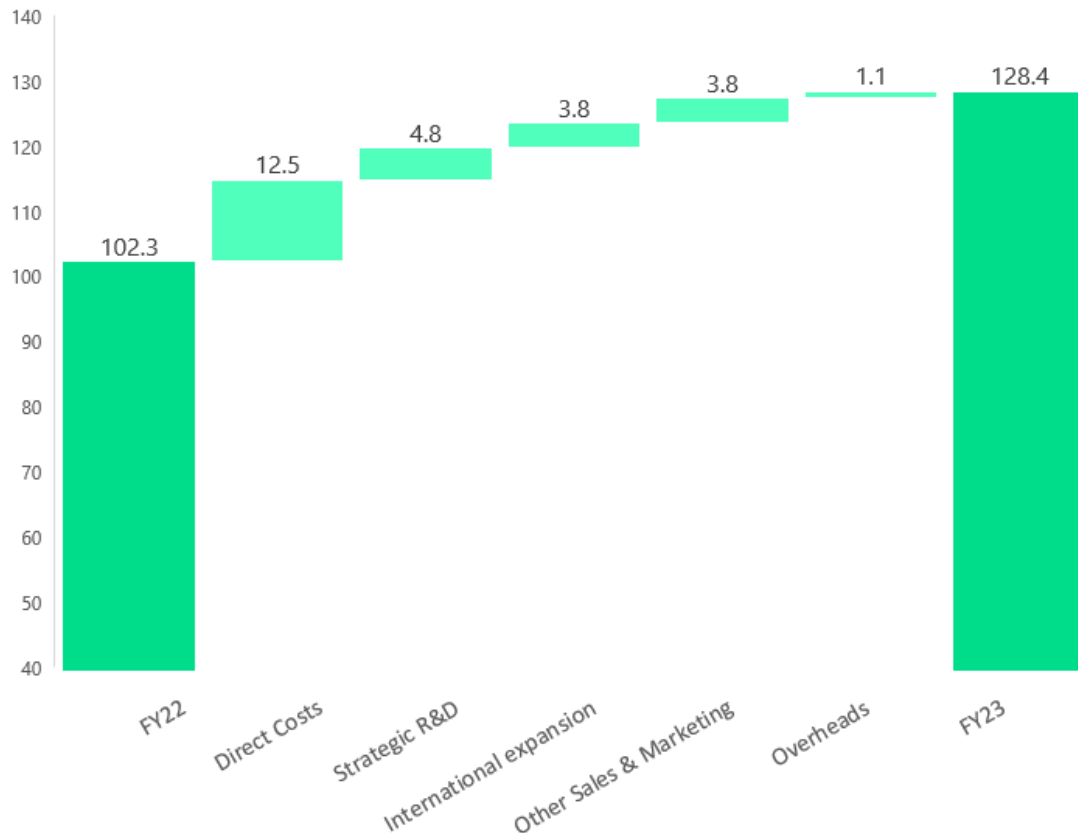
- B2B
- B2C
- Multi-Segment
- Water
- Other

excl. insolvencies



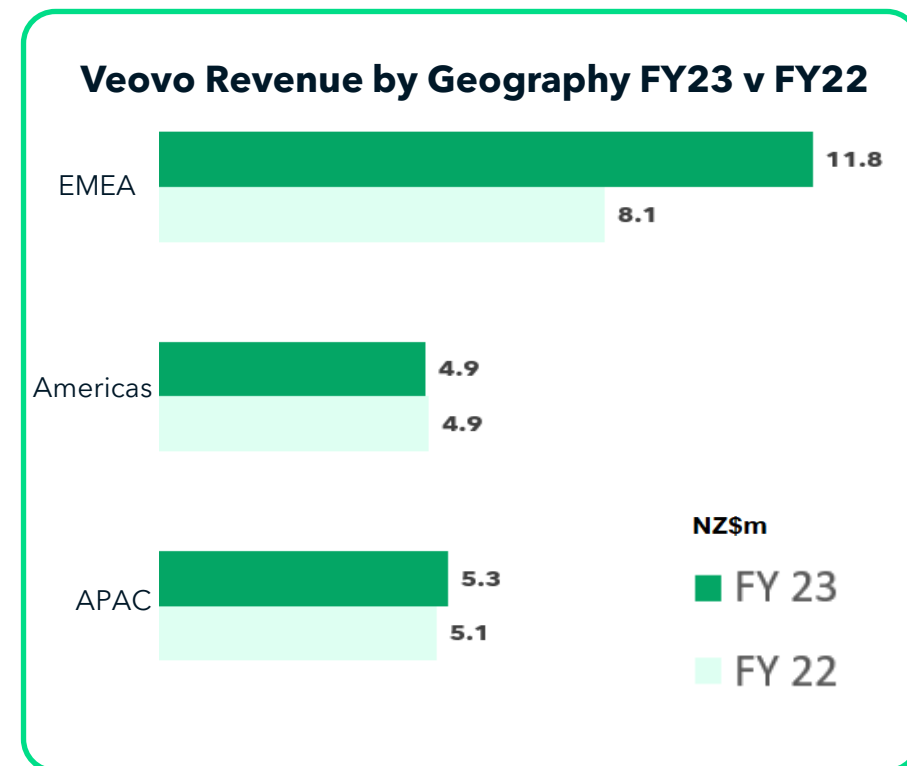
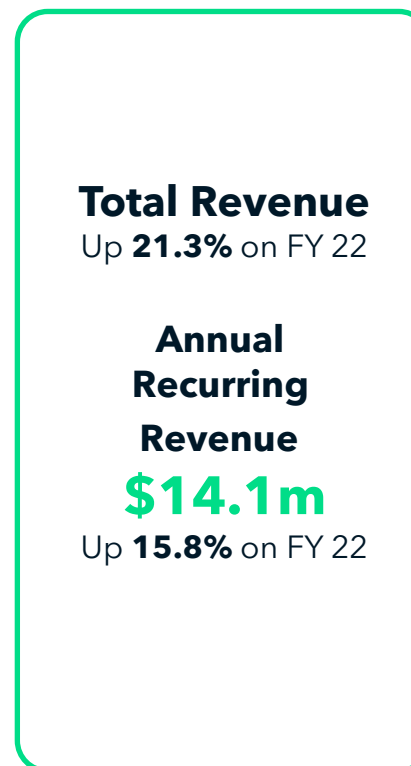
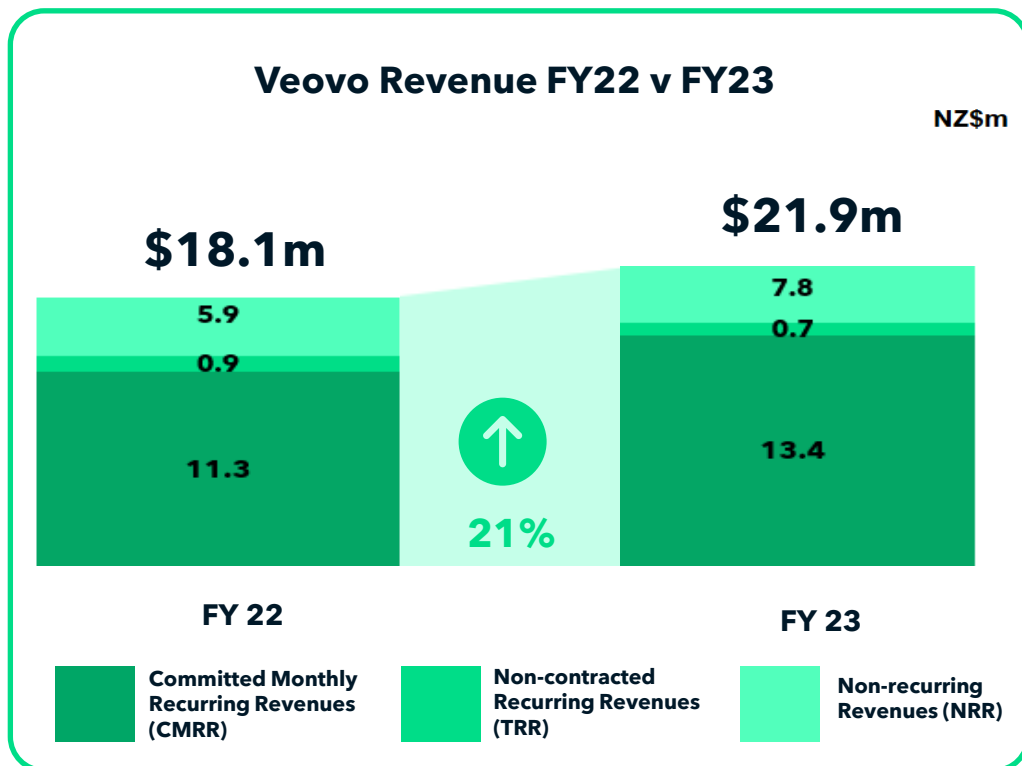
# Utilities Expenditure Analysis

**Utilities Costs FY23 v FY22 (NZ\$m)**



- \$12.5m increase in direct costs, in people & hosting, to support higher revenues.
- Higher investment in strategic R&D (up \$4.8m) as our underlying revenue grows.
- \$3.8m investment in international expansion (Asia & EMEA) including setting up and contracting first win in Saudi Arabia.
- Continued strong investment in Sales & Marketing within our core market (up \$3.8m).

# veovo Revenue Analysis



- Recurring revenue continues to grow / up **15.8%** over FY22 at \$14.1m
- Strong demand for upgrades & transformations driving higher NRR up \$1.9m at \$7.8m this year.

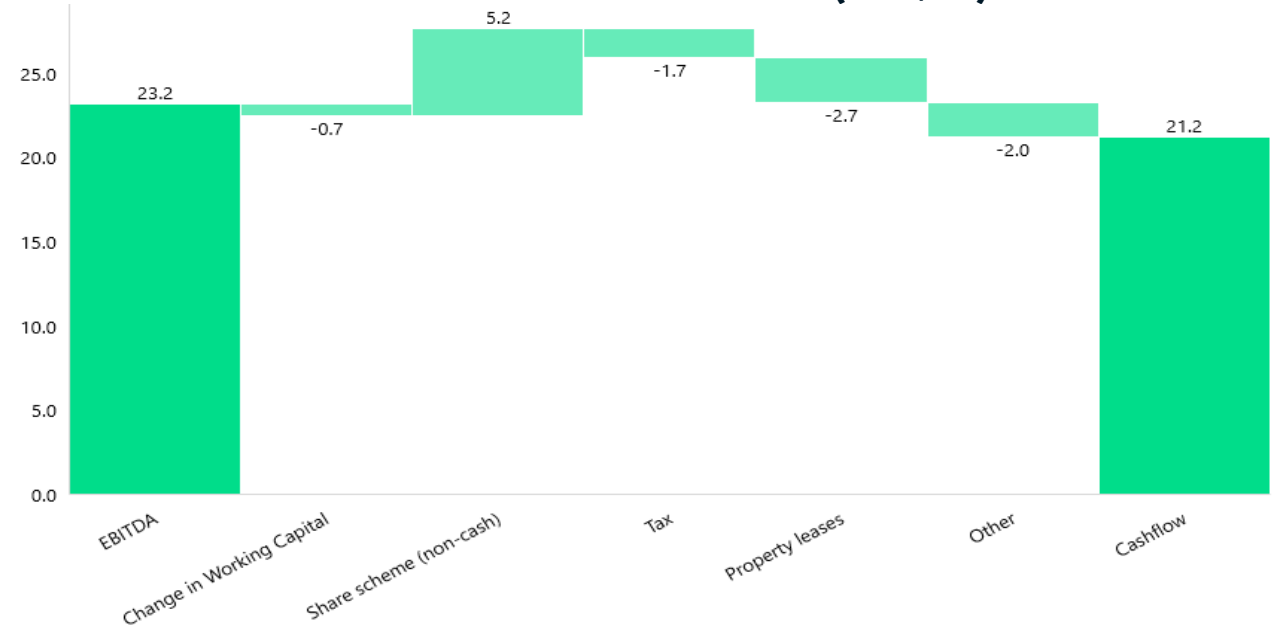
# Cashflow

NZ\$m

	30 September 2022	30 September 2023
Cash	\$27.4m	\$49.2m
Debt*	Nil	Nil
Net Cash	\$27.4m	\$49.2m

\* Group retains a \$25m credit facility currently undrawn

## EBITDA to Net Cashflow FY23 (NZ\$m)



- Cash up \$21.8m from September 2022 (+80%).
- High cash conversion from EBITDA, with no R&D capitalised in year.
- Strong cash collections reflects good project execution.
- Recovery of tax overpaid from prior years and R&D tax credits of \$1.6m reducing FY23 tax payments.



# In Summary

We are pleased with our progress in all of Gentrack's core markets, and excited to be entering the Middle East, with contract wins at both our Utilities and Veovo businesses.

For the other new markets targeted, in Southeast Asia and mainland Europe, we have built a strong pipeline and are making good progress.

Genesis's decision to transform their business and upgrade to g2.0 is a great vote of confidence in our new solution and demonstrates the strength of our partnering strategy with Salesforce and AWS.

Gentrack's people are highly engaged and our employee attrition is well below the tech global benchmark.

I want to welcome new investors who have joined our register and thank our long standing and supportive investors. We look forward to a long and fruitful journey together.



# Q&A



# GAAP to Non-GAAP Profit Reconciliation

NZ\$m	Full Year 30 Sep 22	Full Year 30 Sep 23
<b>Reported net profit/(loss) for the period (GAAP)</b>	<b>(3.3)</b>	<b>10.0</b>
Add: Net finance Expense	0.9	1.3
Add/(deduct): Income Tax expense/(credit)	(0.1)	5.0
Add: Depreciation and amortisation	10.7	8.5
Add/(deduct): Other Income (R&D Tax Credit)	0.0	(1.6)
<b><u>EBITDA</u></b>	<b><u>8.1</u></b>	<b><u>23.2</u></b>

# FY23 on a Constant Currency Basis

NZ\$m	FY23	FY23 Constant Currency	Difference (vs FY23)	▲ %
Revenue	169.9	166.7	(3.2)	(1.9%)
Operating Costs	146.7	143.1	(3.6)	(2.5%)
EBITDA	23.2	23.6	0.4	1.6%
Statutory NPAT	10.0	10.6	0.5	5.4%



**Thank you**