

SenSen Networks Ltd. (ASX:SNS)

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# Q1 FY25 Investor Update

8 October 2024



# About SenSen

**World Leaders in Computer Vision & Multi-Sensor Fusion AI solutions**

**Our IP – The Live Awareness Platform – SenDISA**

- Unique IP, protected by **multiple patent families**
- Provides **highly accurate analysis and fusion** of data from multiple sources including cameras, sensors, GIS & others in real-time
- Delivers **Live Awareness**, the highest form of intelligence for real-time decision making
- Helps **automate complex, real-world processes and deliver insights** that are once considered impossible to attain in real-time

**In Production in multiple sectors:**

- City Councils, Transportation, Retail and Private Enterprises



# Our Vision



TO BE A **GLOBAL LEADER** IN LIVE (REAL-TIME) AWARENESS AI SOLUTIONS



**200+**

Projects

**80+**

Enterprise Customers

**104%**

Net Retention Rate

# Q1 FY25 Highlights



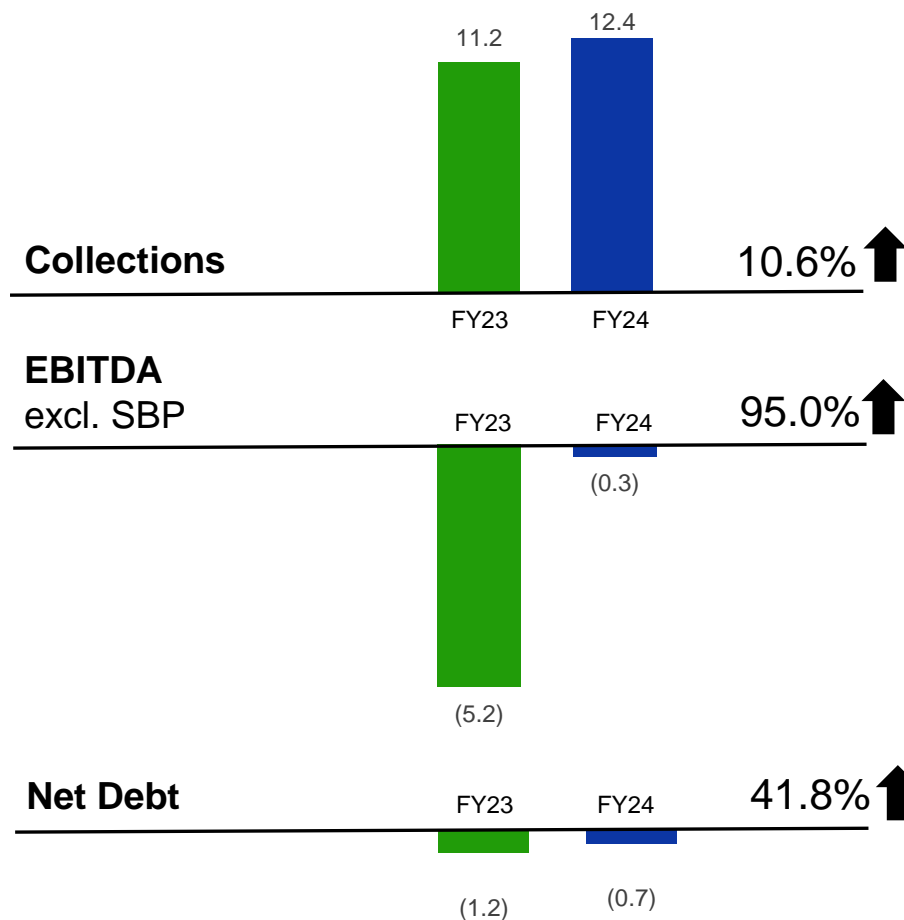
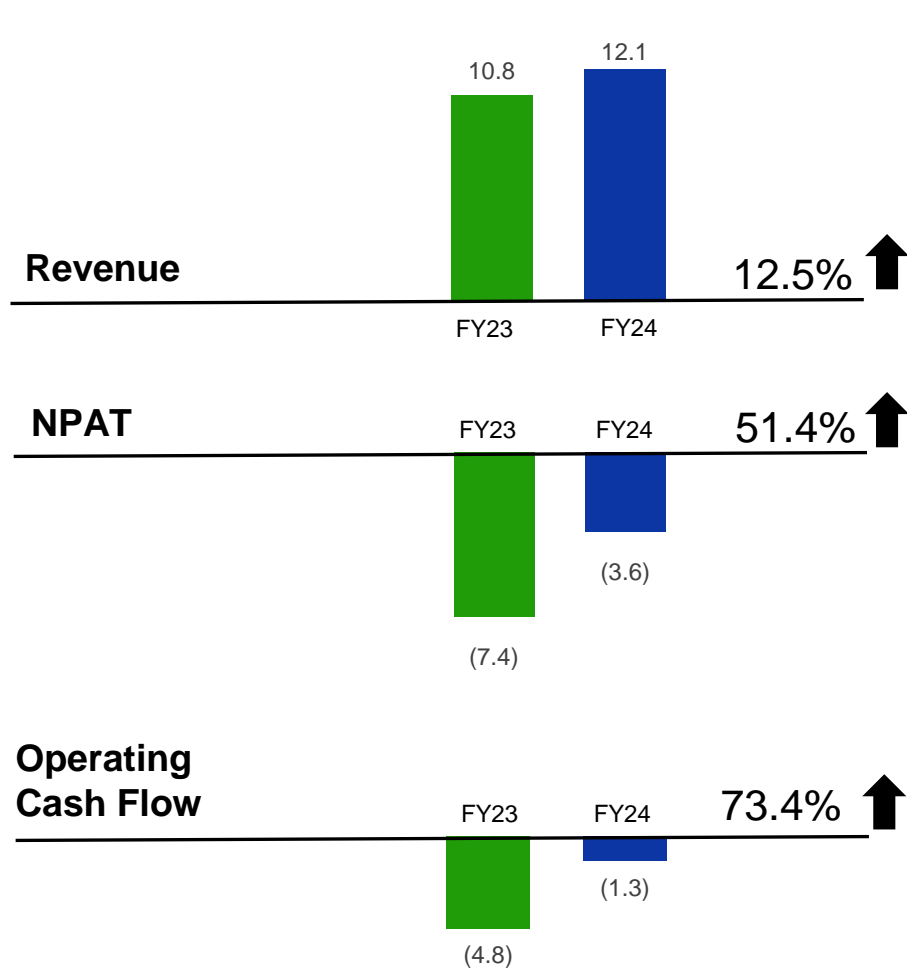
- **Second successive quarter of positive cash flow**, with operating cash flow of \$0.3M (PCP -\$1.1M)
- **Record Q1 collections** of \$3.4M (PCP \$3.1M)
- **Ongoing Cost reductions** – annualised Opex reduced from \$10.6M in Q4 FY 2024 to **\$9.2M** in Q1 FY 2025
- SenSen continues to strengthen its balance sheet with **Net Debt reduced by \$0.2M to (\$0.5m)** since June 2024
- **Another tender win in Canada in Q1, from Toronto**, after two significant tender wins in the quarter from Montreal and Calgary
- **Strong and continued Revenue Momentum** across all market segments

# FY24 Highlights



- Grew revenue 12.5% to \$12.1M in FY 2024 despite loss of gaming revenue
- Delivered record quarterly cash receipts in Q4 FY 2024, exceeding \$4m in a quarter for the first time
- **Delivered first ever cash flow positive quarter in Q4 FY 2024**
- Reduced costs from \$15.3M to \$12.3M per annum<sup>1</sup>
- Reduced debt from \$3.1M to \$2.3M
- Reduced staff from a headcount of 136 to 79 across the globe
- All IP infringement court cases in Australia and The Philippines successfully dismissed. Gaming market exited.
- Significant contract win with the National Heavy Vehicle Regulator, Australia
- Added 10 cities in North America
- Appointment of an independent non-executive Chair
- Multiple innovation awards

# FY24 Result Overview



# The Live Awareness Platform – SenDISA – Our Core IP



SenDISA is a reconfigurable data fusion platform that sources and fuses data from multiple sensors and systems to extract accurate insights in real time that deliver actionable outcomes quickly and cost effectively

## ENTERPRISE SYSTEMS



**SenDISA**

Multi-Sensor Data Fusion  
Platform

## LIVE AWARENESS OUTCOME



Security



Safety



Compliance



Analytics

## SENSORS



Sensors provide multiple inputs of asset or subject of interest

SenDISA uses AI to recognise inputs and fuses inputs with enterprise data in real time

SenDISA delivers accurate actionable outcomes cost effectively in real time

# SenSen Solution Illustration – Parking Enforcement & Management



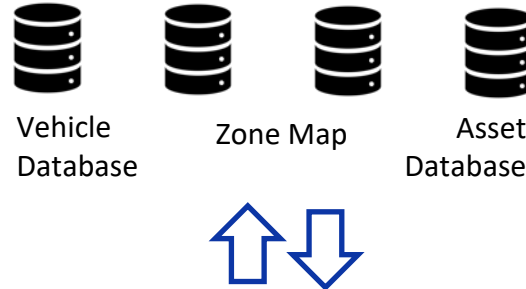
Over 50 Cities and Councils worldwide use SenSen's solutions for safe, accurate and cost-effective parking compliance

## SENSORS



Multiple fixed and mobile cameras capture images and GPS locations of parked vehicles

## ENTERPRISE SYSTEMS



## LIVE AWARENESS OUTCOME



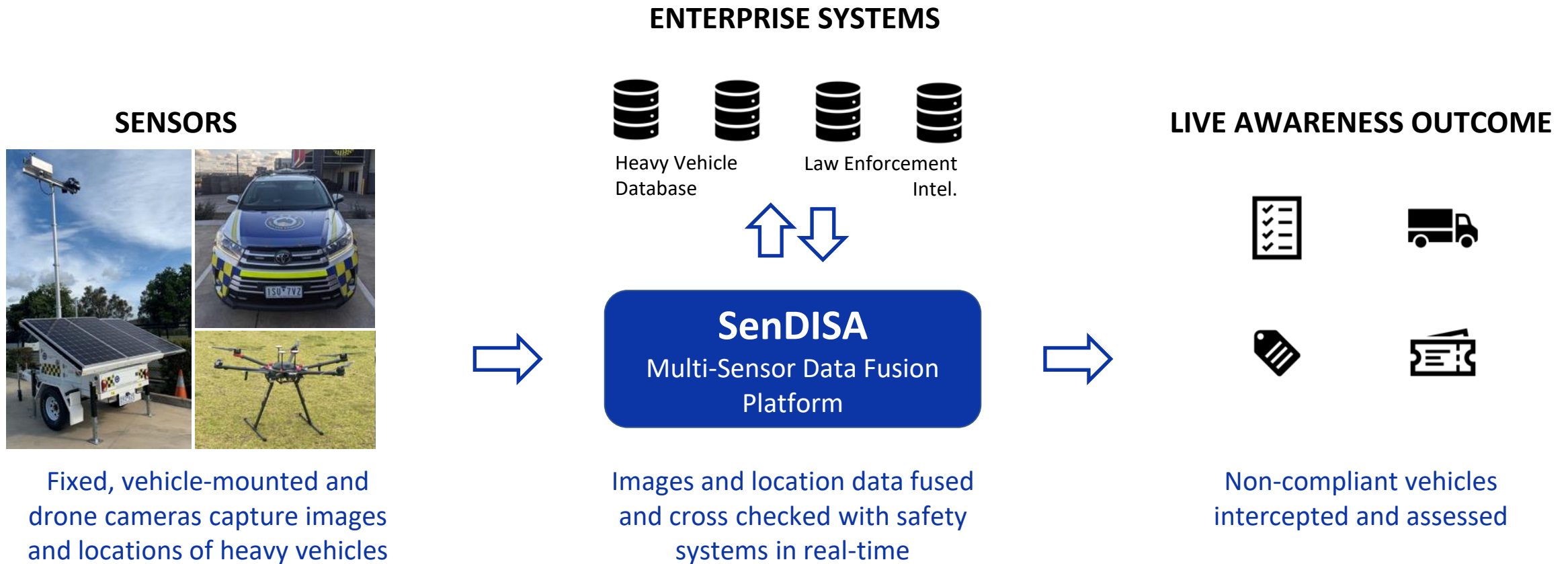
Accurate compliance notices and tickets are issued automatically or with manual checks



# SenSen Solution Illustration – Monitoring for Heavy Vehicle Safety



Australia's National Heavy Vehicle Regulator relies on SenSen's technology to enforce heavy vehicle safety regulations



# Significant Revenue Momentum in Canada



## Q1 FY25 TENDER WINS in Canada

- Agence De Mobilitie Durable De Montreal
- The City of Calgary
- Toronto Parking Authority
- Orders worth over \$4M to be delivered in FY25

### AGENCE DE MOBILITE DURABLE DE MONTREAL

- Para-municipal organisation in partnership with the City of Montreal, Canada
- Lends sustainable mobility expertise to the City of Montreal in order to improve quality of life and contribute to Montreal's economic vitality
- Manages curbside and off-street parking spaces by monitoring public space across Montreal



## THE CITY OF CALGARY



- SenSen customer since 2016
- Utilises both mobile and fixed lane cameras for parking enforcement
- From 2016 to 2024 operated the largest fleet of SenForce equipped vehicles outside of Australia

### TORONTO PARKING AUTHORITY

- A municipal parking services company owned by The City of Toronto
- Operates municipal on-street pay and display parking as well as off-street parking facilities in Toronto
- Previously undertook a project to collect and digitise the city's on-street inventory, utilising SenForce, in January 2023



# SenSen Customers



## SAMPLE OF EXISTING CUSTOMERS



## SAMPLE NEW CUSTOMERS IN FY2024



# The SenSen Business Model



## UP-FRONT REVENUE

### Hardware

- Prepackaged hardware solution
- 3<sup>rd</sup> party components
- Incurs COGS

## RECURRING REVENUE

### Software

- Edge analytics software
- Back-office software
- High margin

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### Services

- Software installation, configuration and testing
- Incurs COGS

### Services

- Support

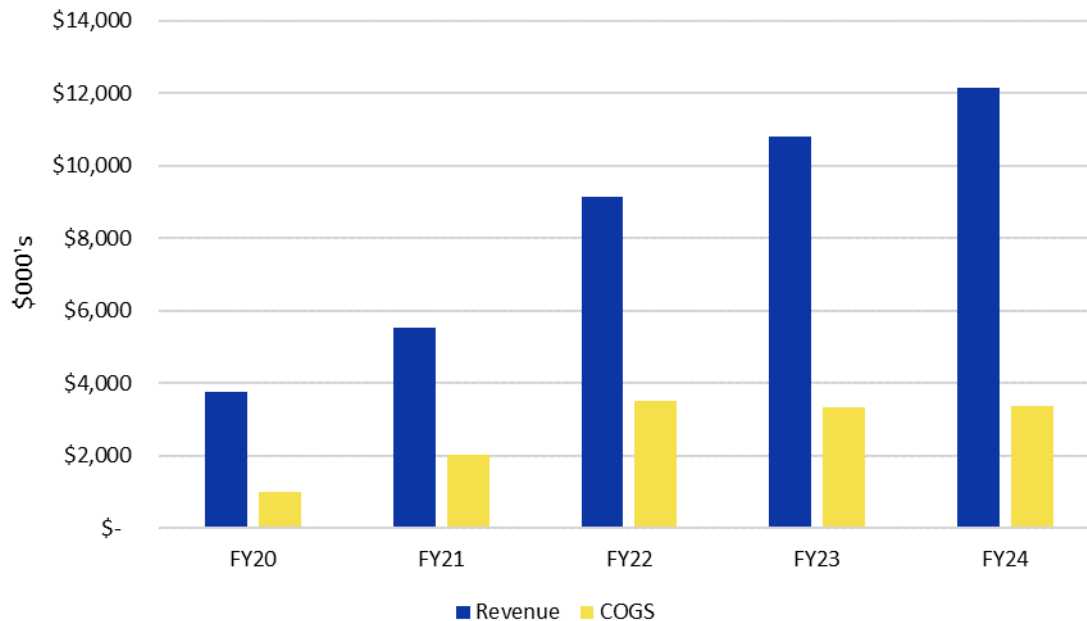
**GROWING REVENUE  
STREAM WITH MARGIN  
EXPANSION**



# The SenSen Business Model



Revenue vs COGS



Revenue by Major Customer

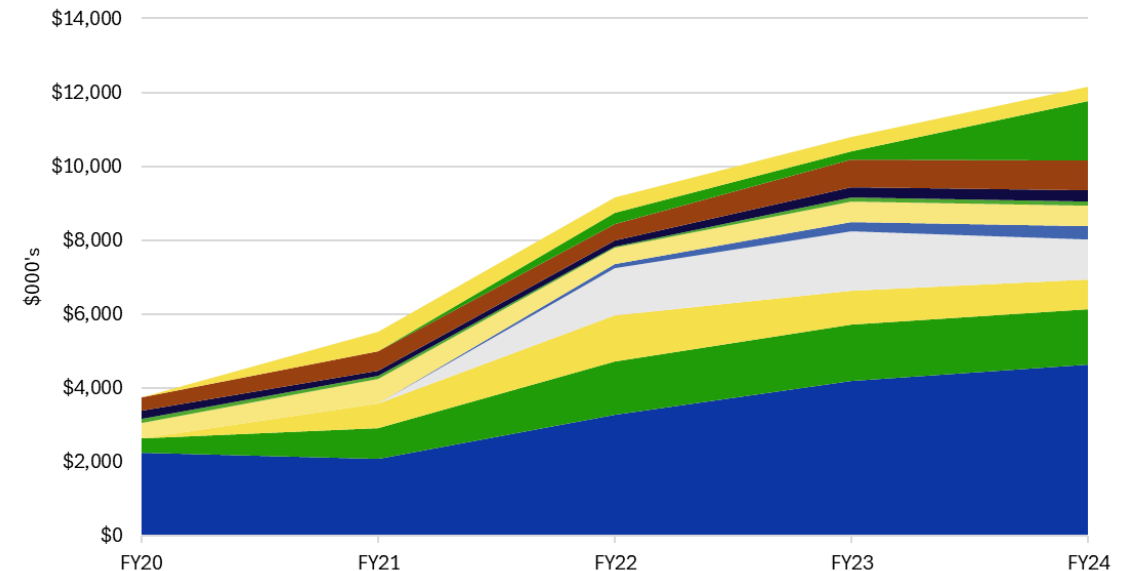


Chart above shows revenue by major customer over time. Blue section refers to all other customers combined.

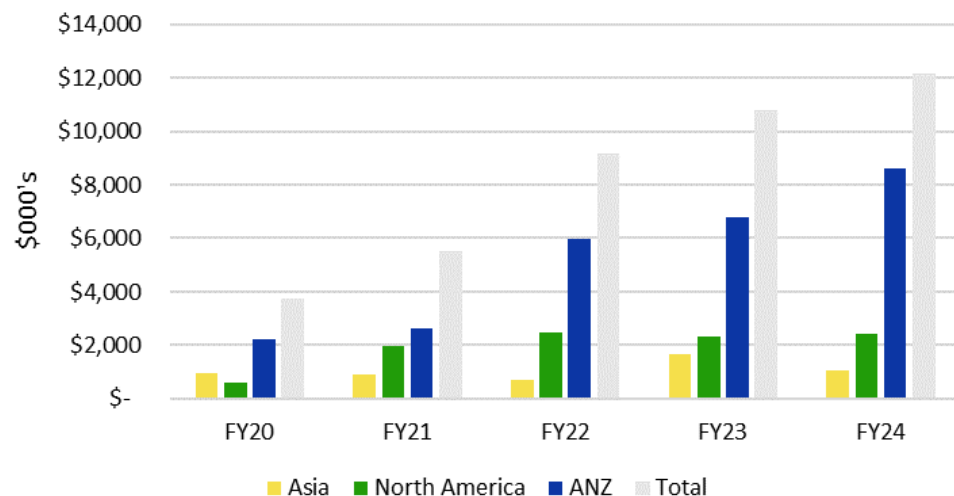
## SAAS BUSINESS MODEL DELIVERING GROWTH AND MARGIN EXPANSION

- As SenSen products have matured the company has been able to to grow margins on upfront sales
- Revenue earned over time continues to grow due to negligible churn as SenSen technology becomes embedded in customer organisations
- Customers benefit from SenSen products which encourages increased adoption and upselling opportunities over time
- Clusters form (e.g. South-east QLD and Canada) where neighbouring organisations adopt similar technology

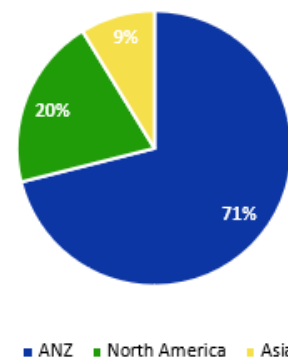
# Revenue Breakdown



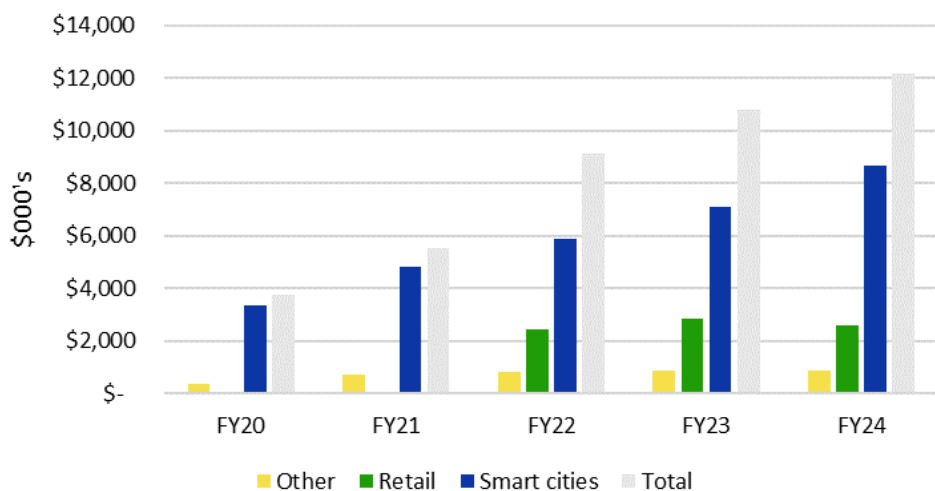
## Revenue by Region



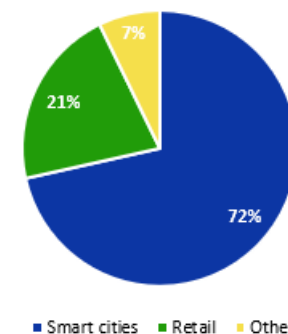
## FY24 Regional Revenue



## Revenue by Industry



## FY24 Industry Revenue



- SenSen's ANZ business continues to contribute the majority (71%) of the company's revenue and deliver the highest revenue growth
- North America provides the most significant opportunity for growth
- The Gaming business has been a relatively small component of the SenSen business, and the company completed its exit from this industry in FY24

# FY24 Result Overview



## FY24 HIGHLIGHTS

- 12.5% YoY revenue growth
- 3% Gross margin improvement vs PCP
- Operating Expenses reduced 14.1% vs PCP
- 51.8% NPBT improvement over PCP
- 92.2% EBITDA excluding share-based payments improvement vs PCP
- 73.9% improvement on operating cash flow vs PCP

Profit and Loss	FY24 A\$000	FY23 A\$000	Variance A\$000	Variance %
Revenue	12,144	10,797	1,348	12.5%
COGS	(3,367)	(3,314)	(53)	1.6%
Gross Margin	8,777	7,483	1,294	17.3%
GM %	72.3%	69.3%	3.0%	
Other income	2,613	2,536	77	3.0%
Operating Expenses	(14,951)	(17,402)	2,451	(14.1%)
Net Profit before tax	(3,561)	(7,384)	3,823	(51.8%)
EBITDA excluding SBP	(408)	(5,231)	4,823	(92.2%)
Cash flow from Operations	(1,250)	(4,784)	3,535	73.9%

# Q1 FY25 Borrowings



Net Debt	30-Sep-24 \$	30-Jun-24 \$	30-Jun-23 \$
Cash	1,601,110	1,571,130	1,897,681
Borrowings	(2,087,075)	(2,271,806)	(3,101,458)
Net Debt	(485,965)	(700,676)	(1,203,777)
<b>Debt Drawn</b>			
Rocking Horse	1,300,000	1,300,000	1,619,347
TP24	87,075	136,158	523,731
Director Loans	250,000	385,648	508,380
CBA Better Business Loan	450,000	450,000	450,000
Debt Drawn	2,087,075	2,271,806	3,101,458
<b>Debt Facilities</b>			
Rocking Horse	1,300,000	1,300,000	1,900,000
TP24	1,200,000	1,200,000	800,000
Director Loans	500,000	500,000	523,731
CBA Better Business Loan	450,000	450,000	450,000
Speedshield	-	-	1,000,000
CBA Overdraft	225,000	225,000	225,000
CBA Credit cards	-	-	100,000
Total Facilities	3,675,000	3,675,000	4,998,731

## IMPROVING CASHFLOWS PROVIDING THE OPPORTUNITY FOR DEBT REDUCTION

- Net debt reduced \$0.2M since June 2024
- Draw debt reduced \$0.2M since June 2024



# FY24 Balance Sheet



Balance Sheet	30-Jun-24 \$	30-Jun-23 \$	Variance \$	Variance %
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	1,571,130	1,897,681	(326,551)	
Trade and other receivables	1,030,269	1,467,415	(437,146)	
Contract assets	173,063	424,229	(251,166)	
Inventory	120,317	485,731	(365,414)	
Other assets	2,453,677	3,011,208	(557,531)	
<b>Total Current Assets</b>	<b>5,348,456</b>	<b>7,286,264</b>	<b>(1,937,808)</b>	<b>(27%)</b>
<b>Non-Current Assets</b>				
Intangibles	730,257	1,689,804	(959,547)	
Goodwill	5,632,016	5,632,016	0	
Right of use Asset	682,101	1,295,479	(613,378)	
Other assets	0	38,720	(38,720)	
Property, plant and equipment	231,387	396,071	(164,684)	
<b>Total Non-Current Assets</b>	<b>7,275,761</b>	<b>9,052,090</b>	<b>(1,776,329)</b>	<b>(20%)</b>
<b>TOTAL ASSETS</b>	<b>12,624,218</b>	<b>16,338,354</b>	<b>(3,714,136)</b>	<b>(23%)</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	1,995,341	3,217,654	(1,222,313)	
Contract Liabilities	399,888	1,103,746	(703,858)	
Contingent Consideration Liability	0	887,154	(887,154)	
Employee Benefits	707,625	665,601	42,024	
Lease Liabilities	327,778	286,880	40,898	
Borrowings	2,271,806	3,101,458	(829,652)	
<b>Total Current Liabilities</b>	<b>5,702,437</b>	<b>9,262,493</b>	<b>(3,560,055)</b>	<b>(38%)</b>
<b>Non-Current Liabilities</b>				
Employee Benefits	67,008	107,446	(40,438)	
Lease liabilities	442,621	1,090,787	(648,166)	
<b>Total Non-Current Liabilities</b>	<b>509,629</b>	<b>1,198,233</b>	<b>(688,605)</b>	<b>(57%)</b>
<b>TOTAL LIABILITIES</b>	<b>6,212,066</b>	<b>10,460,726</b>	<b>(4,248,660)</b>	<b>(41%)</b>
<b>NET ASSETS</b>	<b>6,412,152</b>	<b>5,877,628</b>	<b>534,524</b>	<b>9%</b>

## STRENGTHENING OF THE BALANCE SHEET

- Working capital requirements reduced with more efficient deployment and less stock on hand
- Strong recovery of accounts receivable in the period
- DSO reduced from 50 to 31 days
- Focus on reducing current liabilities, particularly debt and payables
- Trade and other payables reduced \$1.2M (38%) vs PCP

# Cost Management Initiatives



## SPECIFIC COST MANAGEMENT INITIATIVES IN FY24

- Removal of COO role
- Restructure of India service centre – FTE reductions
- IT storage consolidation
- Office space reductions
- Change of Auditors
- Standardisation of delivery processes
- Growth of channel sales model
- Continued focus on operational efficiencies and savings

## OPERATING EXPENSES

Expenses	FY24 A\$000	FY23 A\$000	Movement \$	Movement %
Administration expense	(1,396)	(1,302)	(93)	7%
Advertising & Marketing	(563)	(501)	(62)	12%
Other Expense	(2,208)	(3,421)	1,212	(35%)
Finance Cost	(451)	(470)	20	(4%)
Occupancy Cost	(199)	(256)	58	(22%)
Staff Costs	(6,067)	(7,994)	1,927	(24%)
Technology Costs	(1,372)	(1,627)	255	(16%)
<b>Sub total</b>	<b>(12,255)</b>	<b>(15,572)</b>	<b>3,317</b>	<b>(21%)</b>
Depreciation and Amortisation	(1,438)	(1,475)	36	(2%)
Share Based Payments	(1,412)	(208)	(1,204)	580%
Fair value gain or loss	155	(148)	302	(205%)
<b>Total Expenses</b>	<b>(14,951)</b>	<b>(17,402)</b>	<b>2,451</b>	<b>(14%)</b>
<b>Closing Headcount</b>	<b>79</b>	<b>136</b>	<b>(57)</b>	<b>(42%)</b>

# Cash Flow update

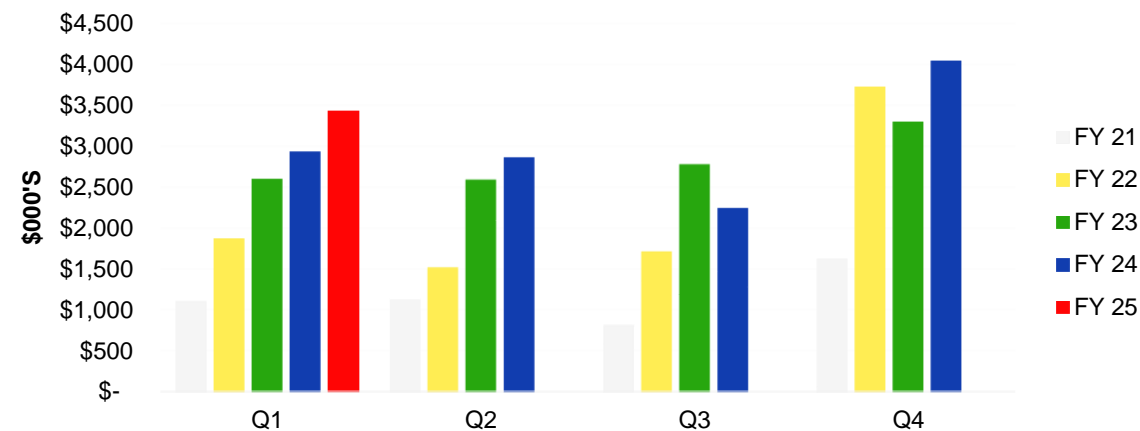


Statement of Cash Flows	FY24 A\$'000	FY23 A\$'000	Variance A\$'000	Variance %
Receipts from Customers	12,382	11,199	1,183	11%
Payments to suppliers and Employees	(15,552)	(17,835)	2,283	(13%)
Net Interest	(477)	(335)	(142)	42%
Government Grants received	2,375	2,187	187	9%
<b>Cash flows from Operating activities</b>	<b>(1,273)</b>	<b>(4,784)</b>	<b>3,512</b>	<b>(73%)</b>
Cash flows from Investing activities	48	(192)	240	(125%)
Cash flows from Financing activities	898	660	238	36%
<b>Net increase in cash and cash equivalents</b>	<b>(327)</b>	<b>(4,316)</b>	<b>3,990</b>	<b>(92%)</b>
Closing Cash on hand	1,571	1,898	(327)	(17%)

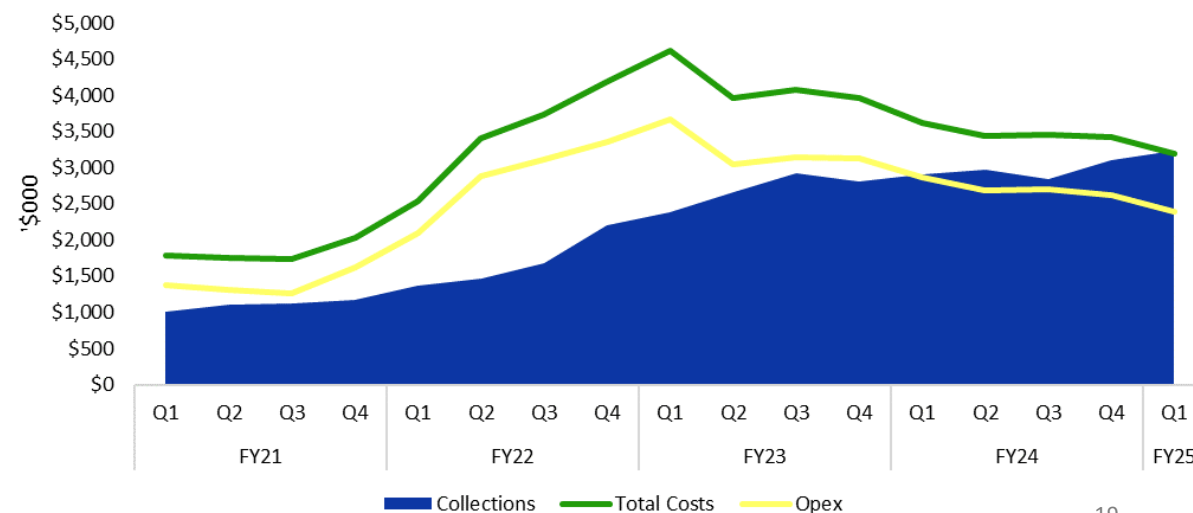
## FY24 OPERATING CASH FLOW IMPROVEMENTS DRIVEN BY GROWING COLLECTIONS COUPLED WITH REDUCING COSTS

- FY24 Receipts from customers grew \$1.2M (11%) over PCP
- Payments to suppliers and employees reduced by \$2.3M (13%) over PCP
- Resultant operating cash flow improved \$3.5M (73%) over PCP

## Quarterly Customer Cash Receipts



## Quarterly Collections vs Operating costs 12 month rolling average





SenSen Networks Ltd. (ASX:SNS)

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THANK YOU

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