

ASX ANNOUNCEMENT | Monday 21st August 2017

Smart Parking Limited (ASX: SPZ) New Contract Wins Support Strong FY17 Results

Financial Highlights

(000's)	FY17	FY17 at FY16 exchange rates	FY16	FY17 at FY16 exchange rates versus FY16
Total Revenue	24,841	29,045	31,805	Down 8.7%
NPBT	(1,067)	(658)	(2,210)	Up 70.2%
Group - EBITDA	1,314	2,071	1,351	Up 53.3%
Group - Adjusted EBITDA before non-recurring items ¹	2,203	3,151	2,182	Up 44.4%
Group - Adjusted EBITDA margin before non- recurring items ¹	8.9%	10.8%	6.9%	Up 3.9%

Operational Highlights

- The UK Parking Management business continues to deliver earnings growth
- New technology wins in the UK, New Zealand and Australia
- Migration of systems to the cloud improves reliability and scalability
- Development of new Parking App for Cardiff City Council
- Successful capital raising of \$11.1 million positions the Group for future growth

Monday 21st August, 2017 - Global parking business Smart Parking Limited (ASX:SPZ) ('Smart Parking' or 'the Company') Smart Parking is pleased to announce a successful 2017 financial year supported by earnings growth in the Parking Management division and new contract wins in the Technology Division.

On a constant currency basis, Smart Parking achieved \$29 million revenue with Adjusted Group EBITDA before non-recurring items increasing 44% to \$3.2 million and Adjusted Group EBITDA margin before non-recurring items¹ improving 4% to 10.8%. The statutory results were significantly impacted by the weaker GBP relative to the prior corresponding period, substantially reducing the translated contribution from the UK business which constitutes approximately 88% of total revenue to the Group.

¹The 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 not expected to occur in the future.

Despite the loss of Asda, Smart Parking's largest client contributing 29% of FY16 revenues, the FY17 EBITDA margin before non-recurring items in the Parking Management division improved 12% to 31% (in constant currency) as a result of new higher margin business.

During the financial year, Smart Parking continued to invest in new technology including a "Smart Cities" platform that will allow the company to expand its global reach as more cities adopt strategies that leverage the Internet of Things (IoT). The company was awarded contracts from Wilson Parking New Zealand, City of Cardiff Council and Hamilton City Council.

The company successfully completed an underwritten capital raising for \$11.1m (net of costs) comprising a 1 for 7 accelerated non-renounceable pro rata entitlement offer and share placement allowing the Group to be well positioned for future growth initiatives.

Parking Management FY17 Performance

Smart Parking's FY17 performance was strongly supported by significant margin growth in its Parking Management business.

The reduction in revenue in the Parking Management division from \$28.4m in FY16 to \$25.4m (in constant currency) in FY17 was in large part due to the loss of the Asda contract in FY16 and the loss of Matalan in Q3 FY17. This was partially offset by growth in new higher margin sites and the continued deployment of technology, resulting in a 21% increase in EBITDA before non-recurring items. Continued cost control discipline also contributed to the strong performance at the EBITDA level.

EBITDA before non-recurring items (in constant currency) of \$7.9 million was up 47% on FY16 (\$5.3m). Excluding Asda, Parking Breach notices increased 60% and receipts from Parking Breach notices grew 83%. Earnings growth in the third and fourth quarter was impacted by the cessation of the contract with Matalan.

Technology FY17 Performance

The Technology division saw new wins in the UK, New Zealand and Australia. New customers include Coles Supermarkets, Cardiff City Council, Leeds City Council and Wilson Parking New Zealand. Smart Parking continues to invest in the Technology business, which recorded an Adjusted EBITDA loss of \$2.7m. The Adjusted EBITDA margin in the Technology division was impacted by product mix and the increased spend on product development which is expected to benefit the future.

Ongoing technological investments will facilitate more rapid deployment of solutions and lower maintenance costs. Migration of systems to the cloud has resulted in improved reliability and scalability and will streamline further development requirements. Smart Parking also developed a new Parking App for Cardiff City Council, which delivers real-time on-street parking data. Consistent with previous periods the company's policy is to treat all technology development expenses in the period in which it is incurred.

Looking forward, the recent wins with Hamilton City Council, Hobart City Council and additional Wilson Parking sites will be reflected in FY18 revenue. While the lead time for closing deals remains lengthy, the level of enquiry and activity is increasing.

Provision for VAT

The Company is aware of an Upper Tier Tribunal Ruling in the UK impacting the treatment of input VAT incurred on expenditure relating to the administration of Parking Breach Notice activities. The company has sought independent expert advice on the facts involved in this case and the potential implications of this tribunal decision on Smart Parking Limited (UK). As at 30 June 2017 the company has booked an appropriate provision for VAT of \$1.3m based on an assessment of probability adjusted outcomes as required under the accounting rules. Refer to Note 20 in the Preliminary Annual Report for additional information.

CEO Commentary

Smart Parking CEO Paul Gillespie: "We are pleased to announce that we have managed to increase Adjusted EBITDA before non-recurring items (in constant currency) for the 2017 financial year. Smart Parking is moving forward and we are making significant investment in the technology that will support our future growth. Parking Management earnings growth, contract wins in the Technology division, and capital raising of \$11.1 million are providing significant momentum heading into FY18."

Ends.

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Total Revenue	24,841	29,045	31,805	Down 8.7%
NPBT	(1,067)	(658)	(2,210)	Up 70.2%
Group - EBITDA	1,314	2,071	1,351	Up 53.3%
<i>Adjustments:</i>				
Professional fees	0	0	831	
Dispute Settlement	(339)	(407)	0	
Onerous Lease	(110)	(132)	0	
Reversal				
Provision for VAT ¹	1,338	1,619	0	
Group - Adjusted EBITDA before non-recurring items²	2,203	3,151	2,182	Up 44.4%
Group - Adjusted EBITDA margin before non- recurring items	8.9%	10.8%	6.9%	Up 3.9%

Parking Management				
Revenue	20,964	25,388	28,379	Down 10.5%
EBITDA	6,485	7,865	5,347	Up 47.1%
EBITDA Margin	30.9%	31.0%	18.8%	Up 12.2%

Technology Division				
Revenue	5,146	5,228	5,580	Down 6.3%
EBITDA	(2,734)	(3,067)	(2,520)	Down 21.7%
EBITDA Margin	(53.3%)	(58.7%)	(45.2%)	Down 13.5%

¹Refer to the Preliminary Annual Report for details related to the Provision for VAT.

²The 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 not expected to occur in the future.

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Smart Parking Limited (ASX:SPZ) | A Global Parking Technology Business

Smart Parking Limited (ASX:SPZ) is a global car parking technology business providing effective parking management solutions around the world. Our world leading technology for parking design, development and management is deployed across two core divisions.

Parking Management operates exclusively in the United Kingdom, specialises in managing car parks on behalf of retail customers, land owners and managing agents and currently generates 88% of Smart Parking's revenue. Technology has a global presence and designs, develops and specialises in on-street and off-street bay sensor technology and data communication software, enabling clients to manage parking efficiently and cost effectively.

Smart Parking is a global company with offices in the UK, New Zealand and Australia and listed on the Australian Securities Exchange. To learn more please visit: www.smartparking.com