

MONDAY 26 FEBRUARY 2018

ASX Announcement

Smart Parking Limited (ASX:SPZ)

H1 FY18 growth trend continues with increased margins and significant technology wins.

Financial highlights

(000's)	H1 FY17	H2 FY17	H1 FY18	H1 FY18 vs H1 FY17
Total Revenue	12,775	12,065	16,144	Up 26.4%
NPBT	827	(1,894)	2,889	Up 249.3%
Group - EBITDA	2,109	(795)	3,811	Up 80.7%
Underlying Revenue/Adjusted EBITDA before non-recurring items¹	1,770	(905)	3,811	Up 115.3%
Adjusted EBITDA Margin before non-recurring items	13.9%	-7.5%	23.6%	Up 9.7%

Operational highlights

- **Parking Management continues roll out of technology in the UK fueling continued growth**
- **New technology wins in the UK, New Zealand and Australia**
- **Record operating cash flow**
- **Signed strategic partnership with Telstra**

¹ The 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.

Monday 26th February, 2018 - Global parking business Smart Parking Limited (ASX:SPZ) ('Smart Parking' or 'the Company') Smart Parking is pleased to announce a record 2018 half year supported by earnings growth in the Parking Management division and new contract wins in the Technology Division.

Smart Parking achieved revenue of \$16.1m during the period with Adjusted Group EBITDA before non-recurring items increasing 115% to \$3.8m and Adjusted Group EBITDA margin before non-recurring items¹ improving 9.7% to 23.6%.

Despite the loss of a material contract in March 2017 (Matalan) the H1 FY18 EBITDA margin before non-recurring items in the Parking Management division improved 5.1% to 37% as a result of new higher margin business.

During the financial year, Smart Parking continued to invest in 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).

Parking management H1 FY18 performance

Smart Parking's H1 FY18 performance was strongly supported by significant revenue and margin growth in its Parking Management business.

The increase in revenue in the Parking Management division from \$10.8m in H1 FY17 to \$12.9m in H1 FY18 occurred despite the loss of Matalan in March 2017 which contributed revenue of \$1.3m in H1 FY17.

Adjusted EBITDA before non-recurring items of \$4.8m was up 38% on H1 FY17. This was after accounting for a change in the treatment of VAT during the half year resulting in additional charge of \$0.5m. Excluding Matalan, Parking Breach notices increased 42% and receipts from Parking Breach notices grew 53%.

Technology H1 FY18 performance

The Technology division saw new wins in the UK, New Zealand and Australia. Sales in this division included revenue from installations in Hamilton City Council, Cardiff City Council, City of Casey and City of Hobart. Smart Parking continues to invest in the Technology business, which recorded an Adjusted EBITDA loss of \$0.5m for H1 FY18, an improvement of 56% against a loss of \$1.1m in H1 FY17.

The Technology division of Smart Parking has signed a strategic agreement with Telstra to be the provider of choice for their IoT solutions business. The Company have already signed and installed five sites with Telstra and are looking at more each week. The Technology business has also been working in partnership with Google to assist in the development of our new Smart City platform and Google IoT Core. This partnership has been a success and Google have invited Smart Parking to speak at the Google Next18 conference in San Francisco.

Looking forward, the recent wins with Moonee Valley City Council, Wilson Parking NZ, Coles, Telstra and City of Adelaide will result in increased revenue in H2 FY18. The level of enquiry and activity continues to increase with greater awareness of the Internet of Things (IoT) and the benefits this brings to Smart Cities all over the world.

Provision for VAT

The Group 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. Management continue discussions with HMRC to assess the relevance of this ruling to the Group and the potential impact, and this matter remains unresolved at the date of this report. Refer to the Group's 2017 Annual Report for further 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 for the half year ending 31 December 2017 by 115%. Strong growth in our Parking Management business, significant Smart City contract wins in the Technology division and strategic partnerships with Telstra and Google are providing positive momentum heading into the second half of FY18."

Ends.

(000's)	Revenue				EBITDA			
	H1 FY17	H2 FY17	H1 FY18	H1 FY18 vs H1 FY17	H1 FY17	H2 FY17	H1 FY18	H1 FY18 vs H1 FY17
Parking Management	10,826	9,799	12,862	18.8%	3,455	2,581	5,300	53.4%
Technology Division	2,158	2,988	3,866	79.1%	(1,051)	(1,682)	(466)	55.7%
	12,984	12,787	16,728	28.8%	2,404	899	4,834	101.1%
Corporate	24	144	106	341.7%	(1,521)	(540)	(240)	84.2%
Eliminations	(572)	(866)	(690)	20.6%	887	74	(242)	-127.3%
Provision for VAT	0	0	0		0	(1,338)	(541)	
Other	0	0	0		0	0	0	
Underlying Revenue/Adjusted EBITDA before non-recurring items	12,436	12,065	16,144	29.8%	1,770	(905)	3,811	115.3%
<i>Adjusted EBITDA Margin before non-recurring items</i>					14.2%	-7.5%	23.6%	
Dispute Settlement	339	0	0		339	0	0	
Onerous Lease Reversal	0	0	0		0	110	0	
Statutory Revenue/EBITDA	12,775	12,065	16,144	26.4%	2,109	(795)	3,811	80.7%
<i>EBITDA Margin</i>					16.5%	-6.6%	23.6%	
Technology Division Adjusted EBITDA Margin					-48.7%	-56.3%	-12.1%	
Parking Management Division Adjusted EBITDA Margin					31.9%	26.3%	41.2%	
Parking Management Division Adjusted EBITDA Margin (incl Provision for VAT)					31.9%	12.7%	37.0%	

The 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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About Smart Parking

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 85% 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

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