



Smart Parking Limited (ASX:SPZ)

FY18 First Half Results

26 February 2018
CEO Paul Gillespie

Business overview

World-leading technology for parking design, development and management

Management Services | UK

Profitable and operates exclusively in the UK. 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 | Global

Designs, develops and specialises in on-street and off-street parking technology and software, enabling clients to manage parking efficiently and cost effectively. Critical to competitive advantage in the Services business and to the future growth of Smart Parking in the smart cities and IoT market place.





H1 FY18 Highlights



Highlights



Smart Parking Group

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



Group revenue \$16.1m
up 26%



Adjusted EBITDA \$3.8m
up 115%



NPAT \$2.2m
up 509%



Adjusted EBITDA margin up 9.7%
from 13.9% to 23.6%



Operating cash flow \$3.1m
up 1,376%



Groundbreaking
technology wins



Continued roll out of technology
in the UK fuels future growth



Strategic partnership
signed with Telstra



H1 FY18 Financial Update



Financials



Smart Parking Group

| EBITDA margin growth accelerates into H1 FY18



Revenue

\$16.1m up 26% on H1 FY17.



Adjusted EBITDA

\$3.8m up 115% on H1 FY17.



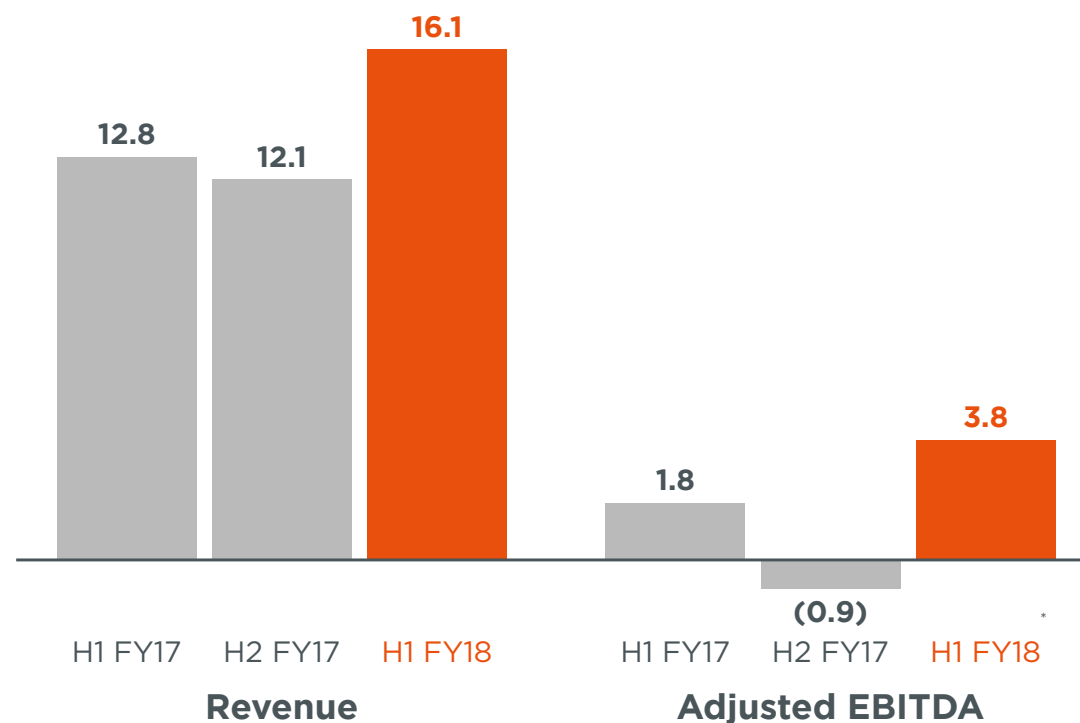
Adjusted EBITDA Margin

Up from 13.9% to 23.6%

VAT

Despite the changes to VAT the UK business continues to demonstrate strong growth. The VAT adjustment accounts for a \$1.3m reduction in EBITDA in H2 FY17 and a \$0.5m reduction in EBITDA in H1 FY18.

H1 FY18 Results | Group Financials (m)



*H1 FY18 includes no adjustments to EBITDA

Financials



Statutory results reconciliation

(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%	

Financials



Management Services

| UK earnings growth continues



Revenue

\$12.9m up 19% on H1 FY17.



Adjusted EBITDA

\$4.8m up 38% on H1 FY17.



Adjusted EBITDA margin

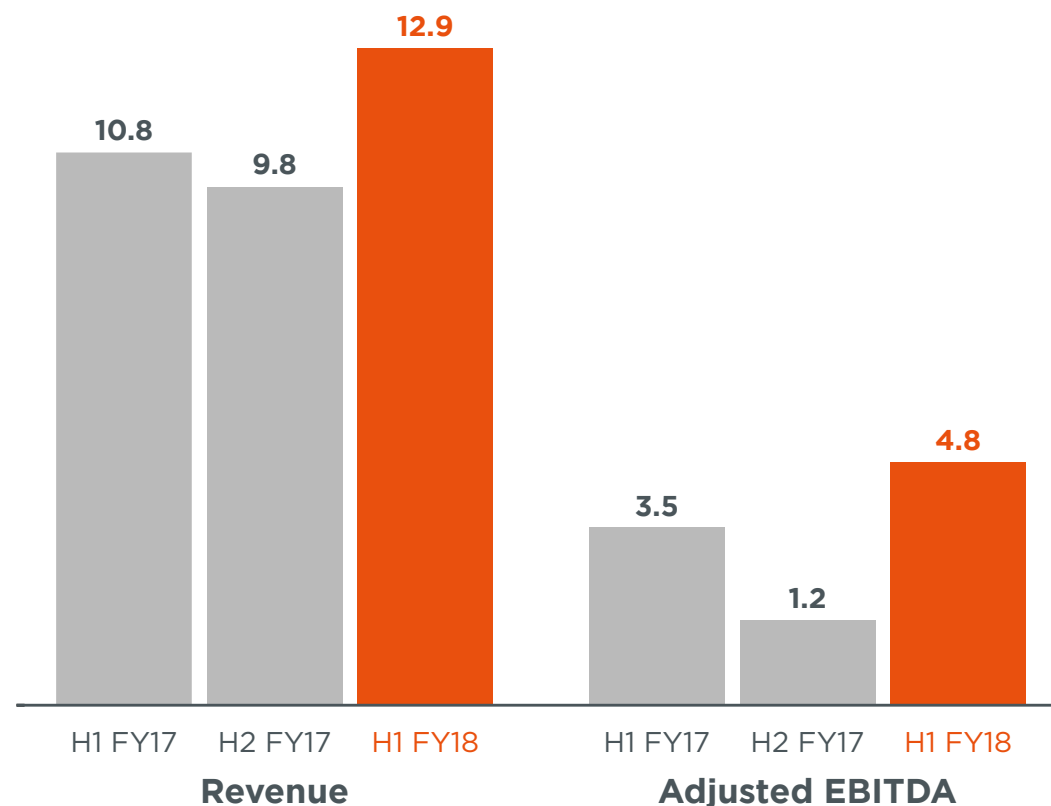
Up from 31.9% to 37.0%

VAT

Despite the changes to VAT the UK business continues to demonstrate strong growth. The VAT adjustment accounts for a \$1.3m reduction in EBITDA in H2 FY17 and a \$0.5m reduction in EBITDA in H1 FY18.

The company lost a contract in March 2017. This contract (Matalan) contributed \$1.3m of revenue and \$0.8m of EBITDA for H1 FY17.

H1 FY18 | Management Services Financials (m)



Financials



Technology

| Strong order book gives positive H2 outlook



Revenue

\$3.9m up 79%



Adjusted EBITDA

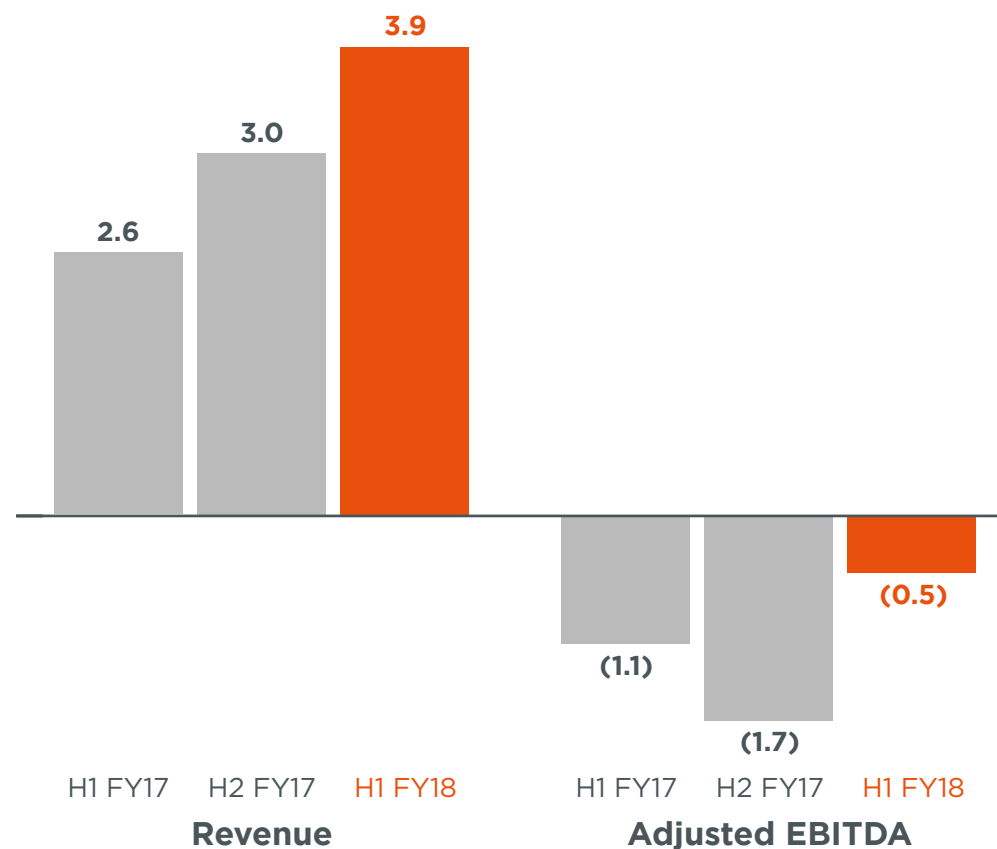
(\$0.5m) improved 56% on H1 FY17.



Improved outlook for H2

Orders include City of Adelaide, Moonee Valley City Council, Coles and Telstra.

H1 FY18 Results | Technology Financials (m)



Financials



Group financial position

| Strong balance sheet



Current assets

Includes \$15.1m of cash and Corporate Bonds while the Group continues to assess growth opportunities.



Deferred tax asset

Reduced by \$0.7m following UK profitability.



Intangible assets

Developed technology will be fully amortised in Q3.



Fixed asset additions

\$1.3m mainly related to deployment of technology in the UK

H1 FY18 Results | Group Financial Position

\$m	Dec '17	Jun '17
Current assets	23.0	21.4
Non current assets	7.1	7.4
Total assets	30.1	28.8
Current liabilities	5.2	6.5
Term liabilities	0.0	0.0
Total equity	24.9	22.3

Financials



Group cash flow

| Record operating cash flow



Record operating cash flows

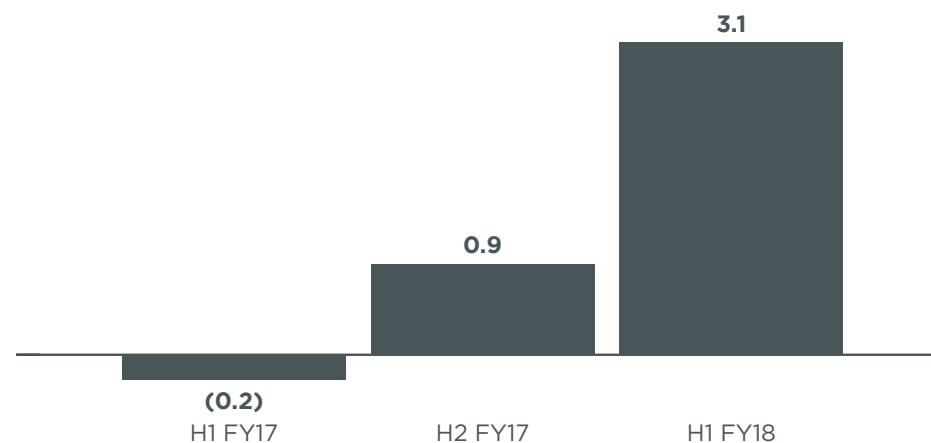
\$3.1m up 1,376% compared to H1 FY17.



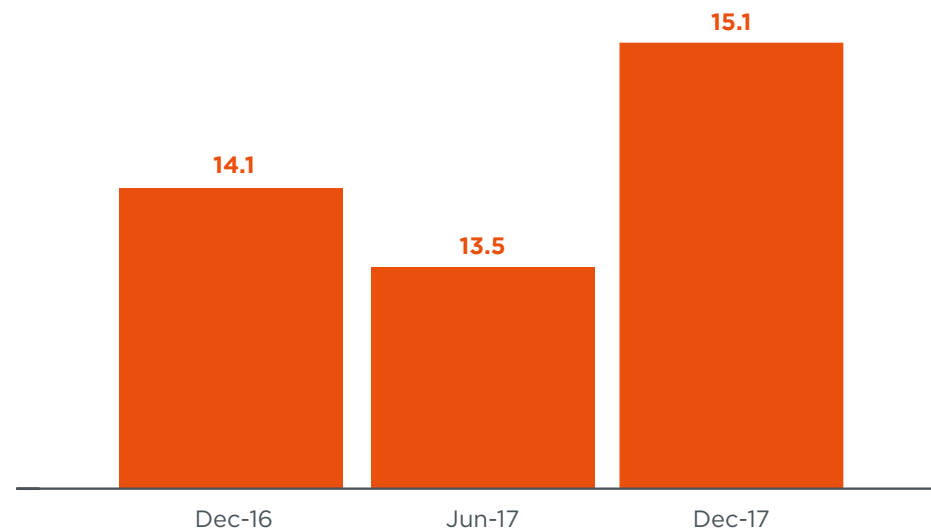
Total cash and Corporate Bonds

Up 12% compared to 30 June 2017.

H1 FY18 | Operating Cash Flow (m)



H1 FY18 | Cash on Hand & Corporate Bonds (m)



H1 FY18 Business Update



Business update



UK management services

| Strategy delivering record earnings



Continues to deliver earnings growth through installation of Automatic Number Plate Recognition [ANPR] technology in line with company strategy.



EBITDA margin growth of 5% to 37% demonstrates the quality of new business and focus on customer service.



EBITDA increased 38% to \$4.8m vs H1 FY17.



Business transformation continues following the loss of legacy contracts of Asda and Matalan in H2 FY16 and H2FY17.



VAT adjustment – despite the changes to VAT the UK business continues to demonstrate strong growth. The VAT adjustment accounts for a \$1.3m reduction in EBITDA in H2 FY17 and a \$0.5m reduction in EBITDA in H1 FY18.



Business update



Management services parking breach notices

| Growth in parking breach notices continues with the roll out of ANPR technology



Breach notices

H1 FY18 up 42% compared with H1 FY17 (excluding Matalan).



New business

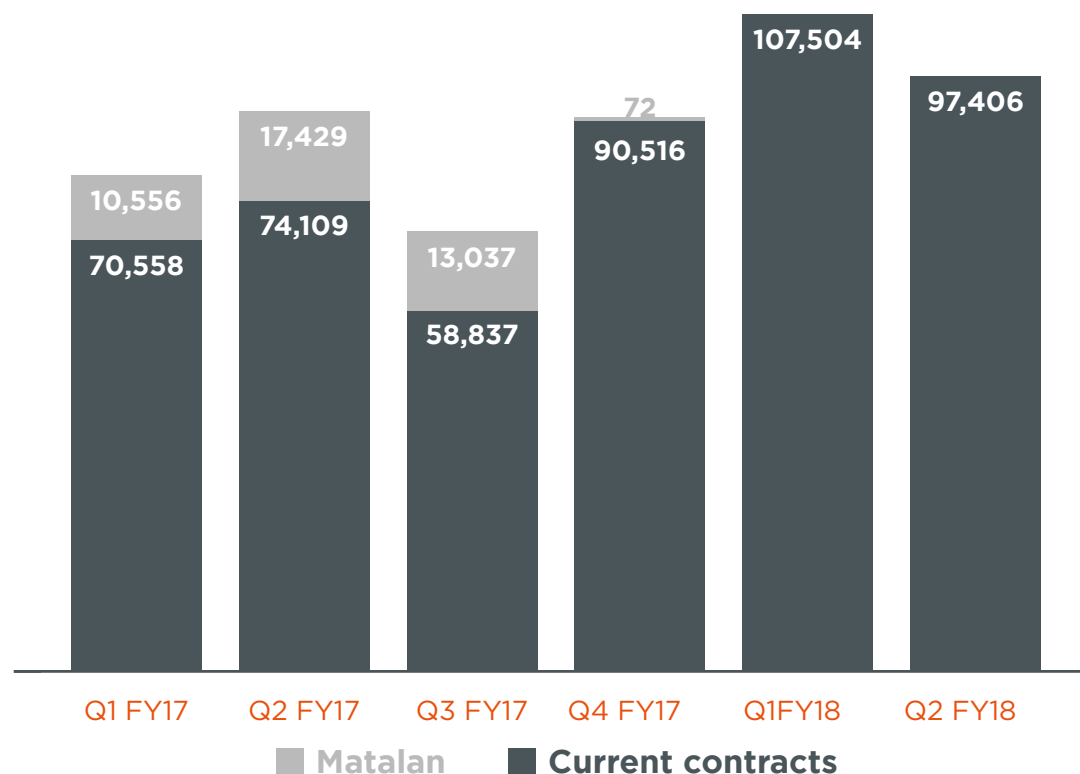
Strong H2 FY18 pipeline of new sites leading to further growth.



Seasonal impact

Traditionally the winter months in the UK have a seasonal impact on parking breach notices with spring, summer and autumn being stronger.

Parking Breach Notices Issued



Business update



Management services

| Growing customer base

Smart Parking brand and reputation is growing throughout the UK, demonstrated with strong customer base.

New sales heads making progress.



Business update



Technology

| Smart City and IoT technology continues to be adopted



Moonee Valley City Council sign with Smart Parking to deliver a full end to end smart city solution including 1,500 sensors, enforcement capability, smart phone application and, using the Smart Parking network, public Wifi to the city centre.

Adelaide City Council have signed with Smart Parking to reinvent the parking experience by supplying 2,800 sensors and a smart phone application with payment.

Coles Supermarkets continue to work with Smart Parking to deliver a great customer experience across the store network.

Business update



Technology

| Smart Parking's ongoing commitment to invest in technology has resulted in increased sales and revenue growth in FY18.



Firm orders continue to grow.



Recurring revenue growth from new business wins.



Recurring revenue number inclusive of UK services licence fee.

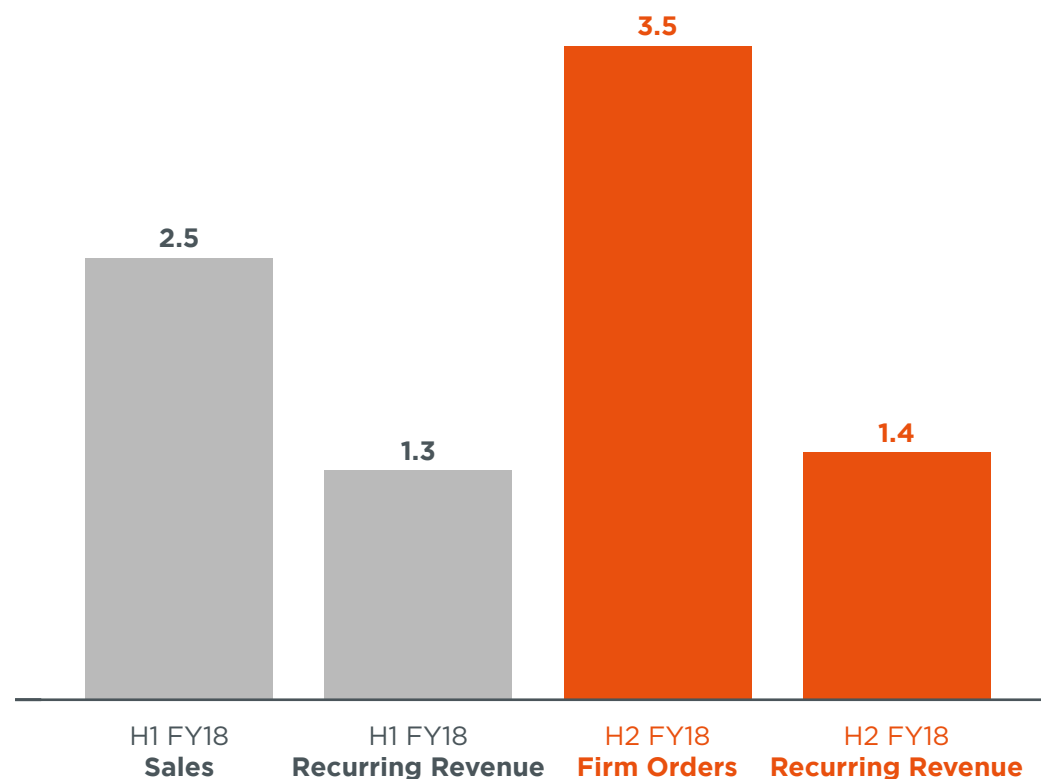


\$3.5m orders to deliver in H2 FY18 with a strong pipeline to support additional orders.



Strategic partnership with Telstra continues to grow with further smart city projects on the horizon.

Technology Revenue (m)



Business update



Technology

Aside from Smart Parking's firm orders and committed recurring revenue there is an ongoing pipeline of strong prospects that grows with each year



With existing booked orders, Smart Parking Technology will deliver record sales in FY18.

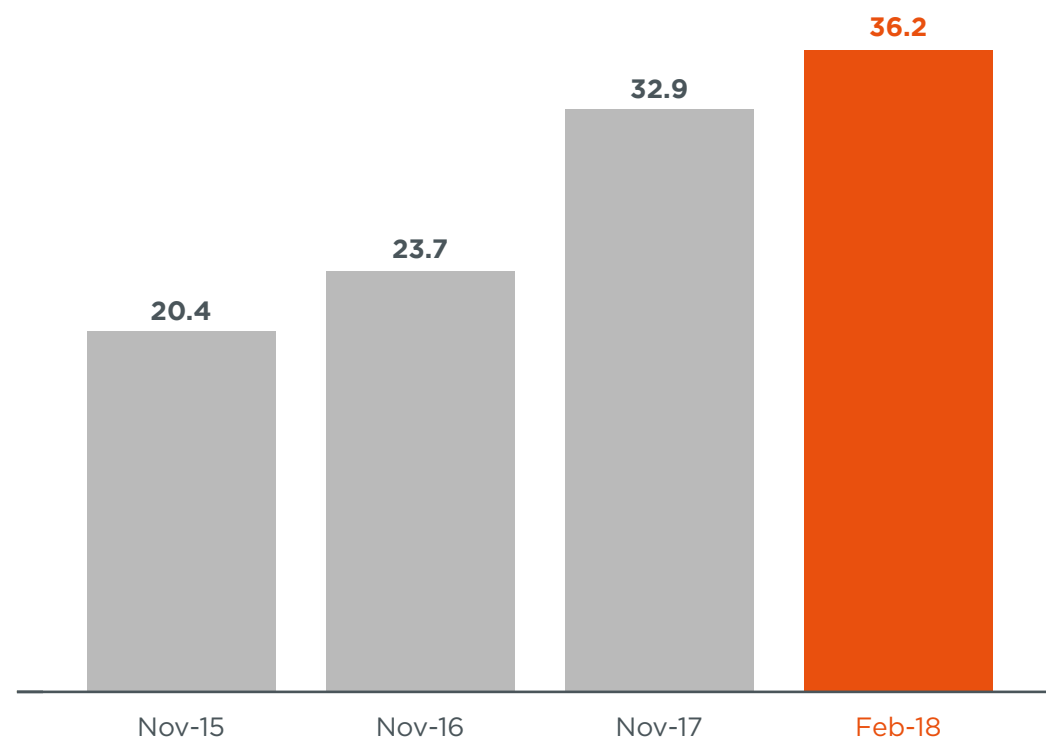


Pipeline growth in line with technology adoption across all home markets.



Total technology pipeline exceeding \$35m.

H1 FY18 | **Technology Sales Pipeline (m)**



Business update



Growing technology customer base

| Expanding across our key markets and opening new sales channels.

Australia

Hobart City Council
Moonee Valley City Council
City of Adelaide
Strategic partnership with Telstra

New Zealand

Wilson Parking
Hamilton City Council
Queenstown International Airport
Milford Sound Tourism Board

New markets

USA (City of Miami)
Costa Rica (City of Cartago)
Düsseldorf (Besser Parken)
Gibraltar (GPSML)



H1 FY18 New technology development



Technology development

Technology overview

| Delivering real-world IoT and smart city solutions.



New smart city platform, SmartCloud, delivered and operational.



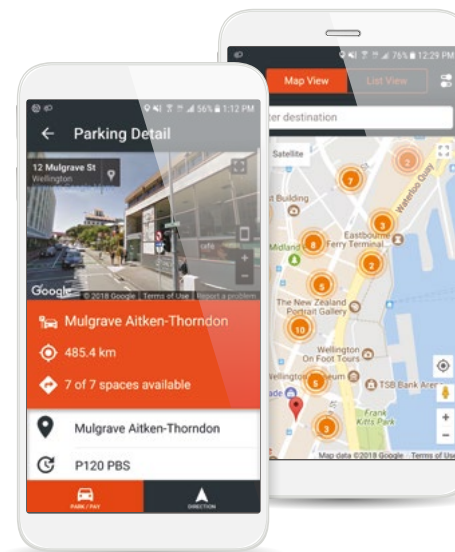
Additional capabilities launched to market and orders received.



Public WiFi added to the SmartCloud platform for Moonee Valley, demonstrating true smart city & IoT capability.



New SmartParking app delivered and operational, with orders to deliver more.



IoT Partnerships



IoT partnership with Telstra continues to grow and deliver new projects.



Telstra's commitment to IoT reinforced in H1 FY18.

CLICK TO READ



Google has proposed that Smart Parking become a formal Google Cloud Partner to promote SmartCloud based market solutions.



Google have invited Smart Parking to present at Google Next'18 Conference in San Francisco.




H2 FY18 Outlook

Outlook



Strong outlook for H2 after record H1

| H1 FY18 has been our strongest half to date and we start H2 with a positive outlook.

-  ANPR technology roll-out continues in the UK with over 150 sites in the pipeline
-  UK earnings growth set to continue with incremental higher margin business wins
-  Strong order book in tech business set to deliver record revenue in FY18
-  Developed technology positively adopted across all home markets
-  SPZ set to capitalise on growth in smart city and IoT marketplace
-  SPZ fully funded to execute strategy and explore corporate opportunities

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Supplementary Information



Supplementary information



Management services: How it works

| Parking management improving customer satisfaction and revenue generation.



ANPR | Automatic Number Plate Recognition



Pay & Display | ANPR Linked Automated Payment System



Site Surveys | Real-time information, analysis and trend data



Parking Attendants | Trained and qualified staff



DPC (Disabled, Parent and Child) | Protecting the vulnerable



Marshaling | Trained, professional and customer-friendly marshals

Supplementary information



ANPR: How it works

| Automatic number / license plate recognition (ANPR) is a reliable, cost effective off-street parking management solution.

It is proven to serve a wide range of industries including supermarkets, retail, hotels, hospitals and leisure centres. Smart Parking's ANPR solution ensures greater compliance and increased parking revenue.

- Ticketless, barrier-free system, parking areas managed 24/7
- Automatically generated and issued parking charge notices
- Increased security, comprehensive reporting and account management

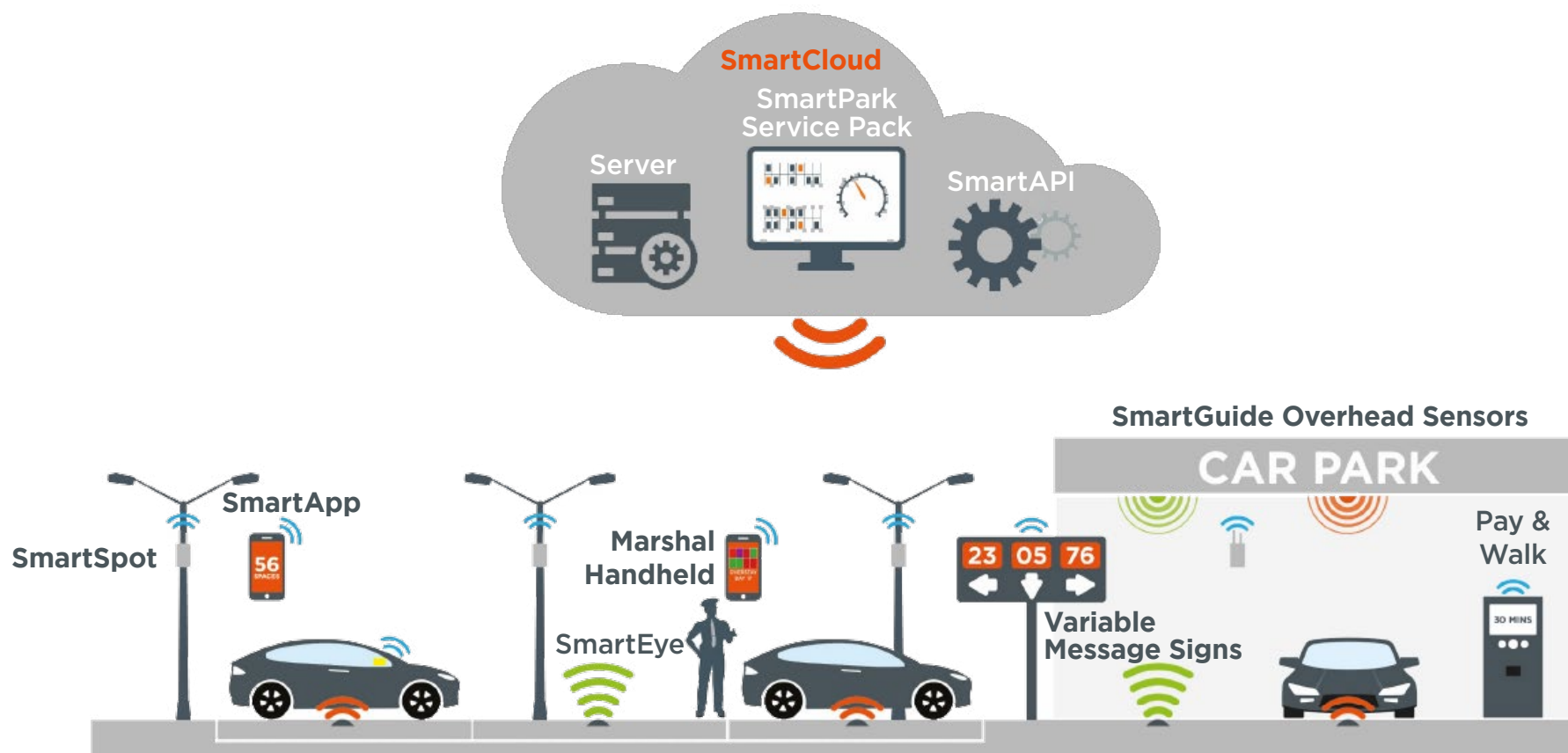


Supplementary information



Technology: How it works

| Smart Parking's technology provides effective parking management solutions around the world.



Supplementary information



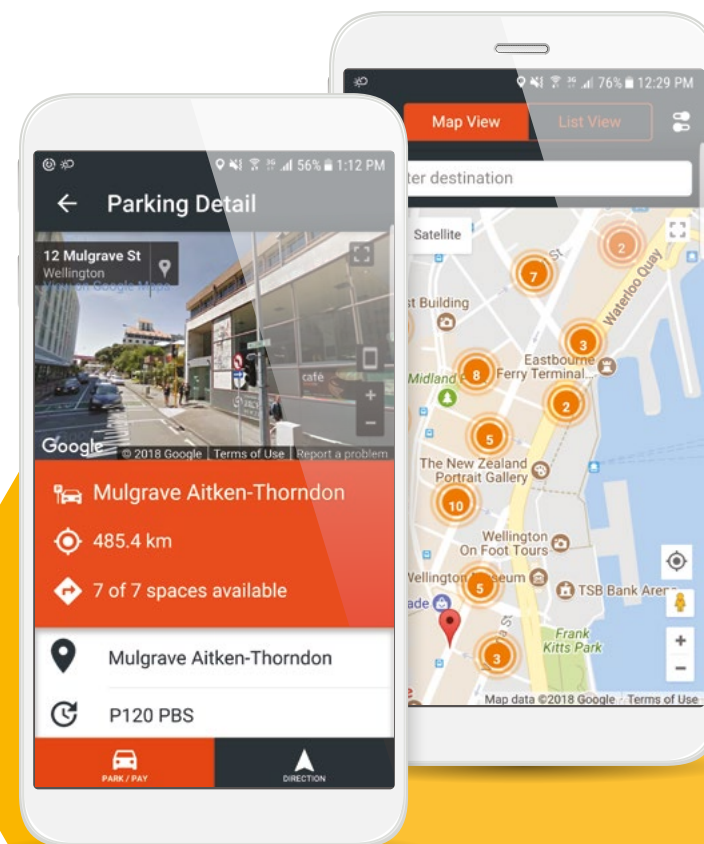
Technology: SmartParking app features



Search for nearby parking, see real-time data on a map receive directions to a car park and discover additional car park information.



Set a timer or extend parking, receive notifications, make a payment and see a full transaction history.



Supplementary information



Glossary

Adjusted EBITDA – 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.

EBITDA – represents Earnings before interest, taxation, depreciation and amortisation.

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