

The logo graphic features a central orange circle with the word "Gentrack" in white. This is surrounded by two concentric white circles. The space between these circles is filled with a pattern of short, parallel white lines that are more densely packed in some areas, creating a sense of motion or a stylized gear-like effect.

Gentrack

GENTRACK GROUP LTD (GTK) FY18 Results Presentation

November 2018

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.

This presentation includes audited financial information for the full year ended 30 September 2018.

All figures are shown in NZ\$.

Enterprise software for utilities and airports



Gentrack delivers software solutions which are deeply embedded and mission critical.

They enable over 220 utilities and airports in 30 countries to lower service costs and drive innovation delivering enhanced customer service.

EXPERTISE AND PASSION

FY18 Financial Highlights



REVENUE

\$104.5m

Up 39%

Up 37%

Excluding acquisitions*

EBITDA

\$31.0m

Up 30%

Up 26%

Excluding acquisitions*

NPAT

\$13.9m

Up 17%

FREE CASHFLOW

85%

Pre-tax as a %
of EBITDA

DIVIDEND

13.7cps

Full year**

TOTAL SHAREHOLDER RETURNS

192%

since IPO***

* Evolve Analytics acquired in June 2018

** Final dividend is 8.7cps

*** Based on the closing share price on 23 November 2018 of NZ\$6.48 and including the FY18 final dividend

FY18 Headlines



ADDITIONAL CUSTOMERS



25 utilities



3 airports

GROWTH IN TOTAL RECURRING REVENUE



Full Year Recurring Revenue:
\$64m - Up 50% year on year

SaaS REVENUES

15 of 16 new utility customers
signed on subscription basis

Annualised Committed Recurring Revenue
\$51.8m - Up 103% year on year

ACQUISITION



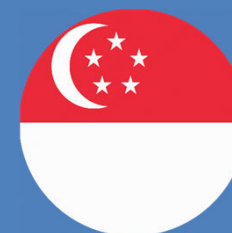
£23.0m (NZ\$44.9m)
Revenue and Data Assurance
Portfolio Data Management

RIGHTS ISSUE

NZ\$90m

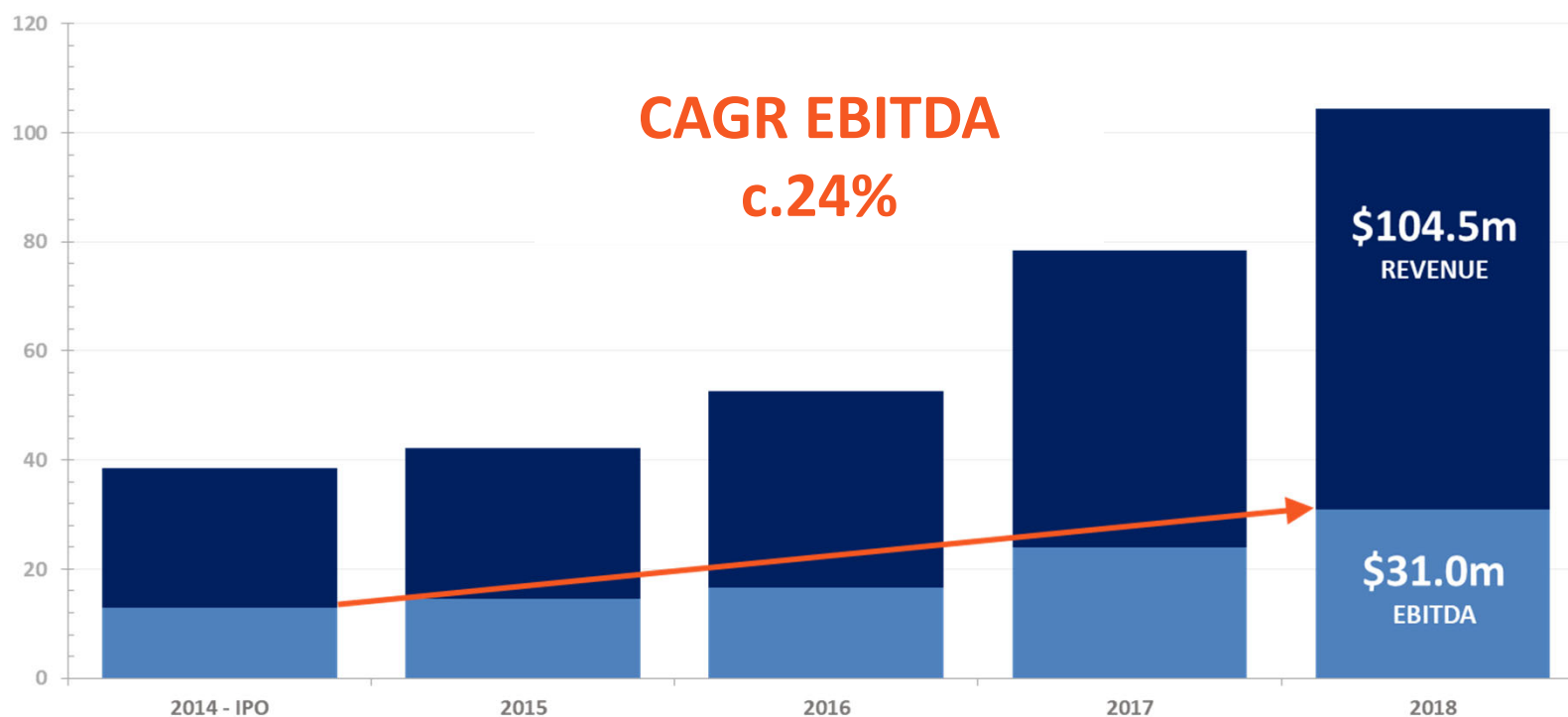
Zero debt
\$50m undrawn facility

SUCCESSFUL MARKET ENTRY



Singapore
added 3 customers

Consistent EBITDA results since IPO



Divisional Breakdown



	Utilities		Airports		Group	
	FY17 NZ\$'m	FY18 NZ\$'m	FY17 NZ\$'m	FY18 NZ\$'m	FY17 NZ\$'m	FY18 NZ\$'m
Revenue	63.5	85.1	11.7	19.4	75.2	104.5
EBITDA	20.7	26.0	3.2	5.0	23.9	31.0
					(4.0)	(7.0)
Depreciation and Amortisation					(1.3)	(1.3)
Acquisition Related Costs						3.8
Revaluation of acquisition related financial liabilities						(4.0)
Impairment of goodwill					(1.2)	(1.8)
Net Finance Expense					(5.6)	(6.9)
Income Tax						
Net Profit After Tax					11.8	13.9

Acquisition Related Costs

The costs relating to the acquisition of Evolve Analytics (June 2018) include cost of short term borrowing facilities to finance the transaction

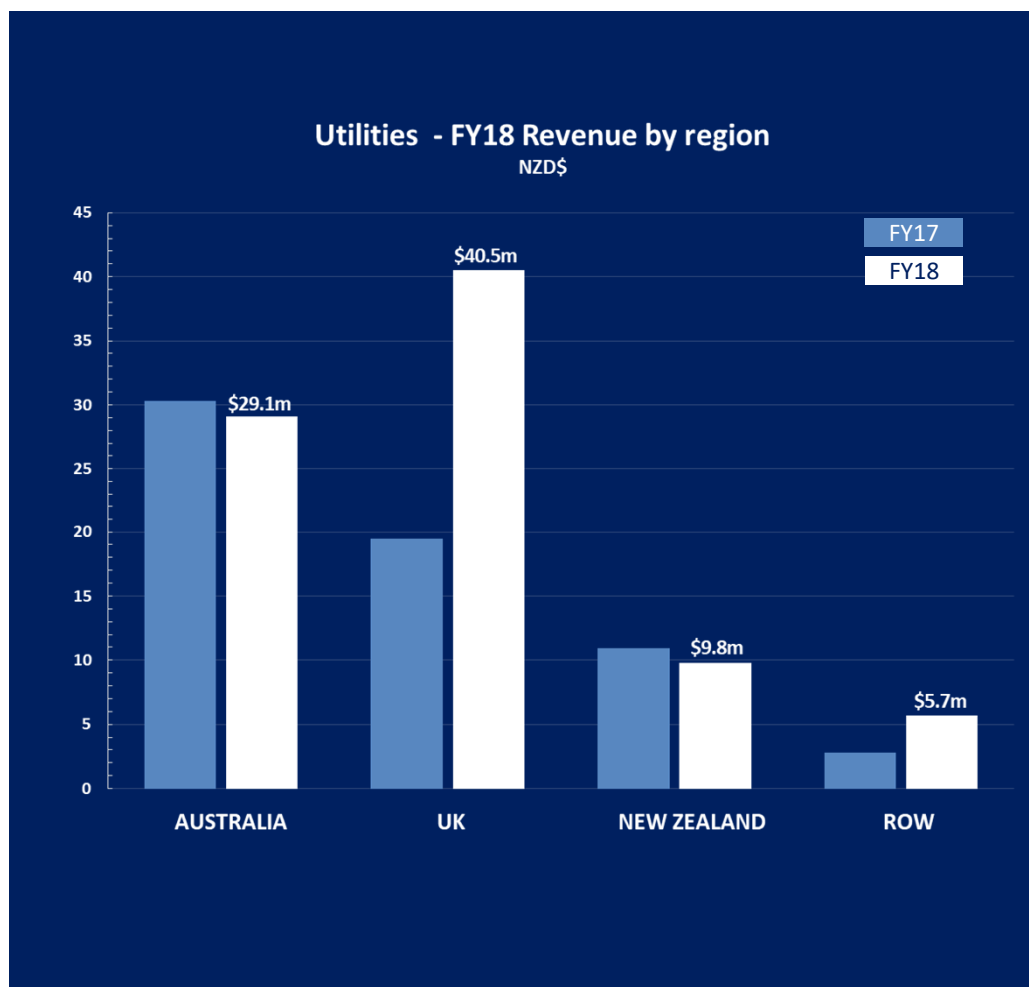
Revaluation of acquisition related financial liabilities and impairment of goodwill - CA+

A revaluation of the deferred consideration for the remaining 25% shares in CA+ has resulted in a credit to the income statement of NZ\$3.84m

An associated impairment has been recognised against the carrying value of goodwill to the value of NZ\$3.98m.

The net effect on NPAT is NZ\$0.14m

Segment Analysis and Performance - Utilities

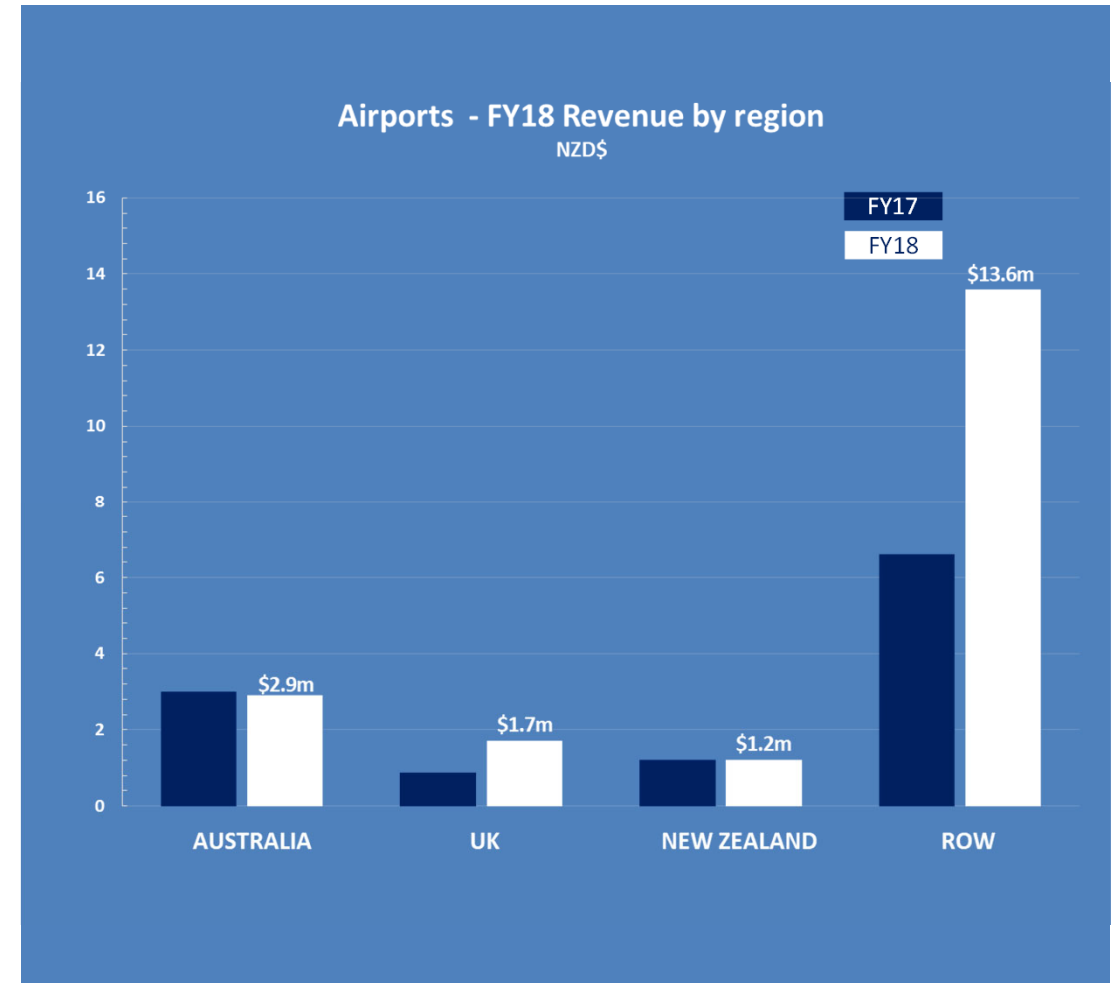


- Gentrack Cloud SaaS model with a higher component of committed recurring revenues
 - 15 of 16 new names in Gentrack Cloud
- Completed Evolve Analytics acquisition in June to extend the utilities offering
- UK includes Evolve acquisition and revenue underpinned by large customer wins
- Opened office in Singapore and added our first three customers
- Regulatory changes were less of a feature than recent years

Segment Analysis and Performance - Airports



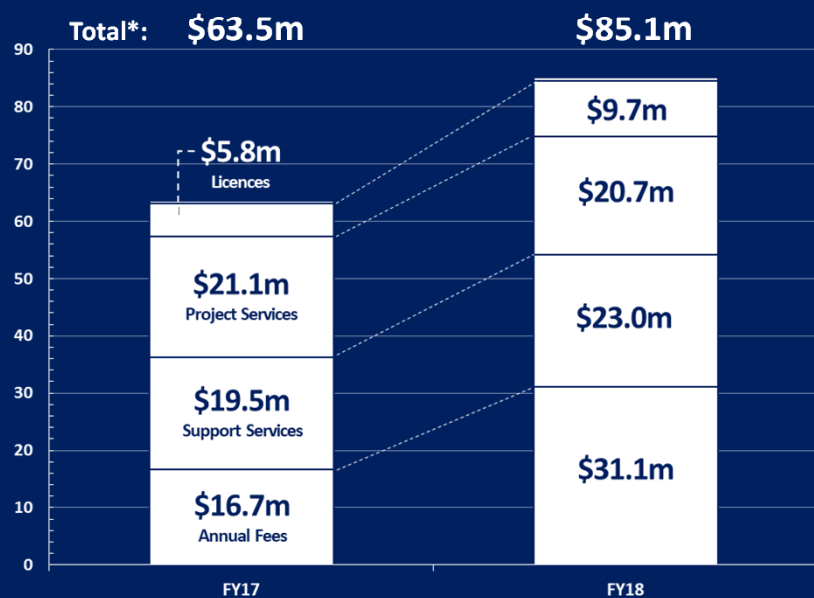
- Launched Veovo branding and provided solution integration across 20/20, Blip and CA+
- Established team in USA to pursue large market opportunity
- New airports – Belfast International, Jersey and Orlando International
- Launched BlipTrack Vision solution – camera enabled passenger tracking
- CA+ expanded into Middle East with key projects



Growing Recurring Revenues



Utilities

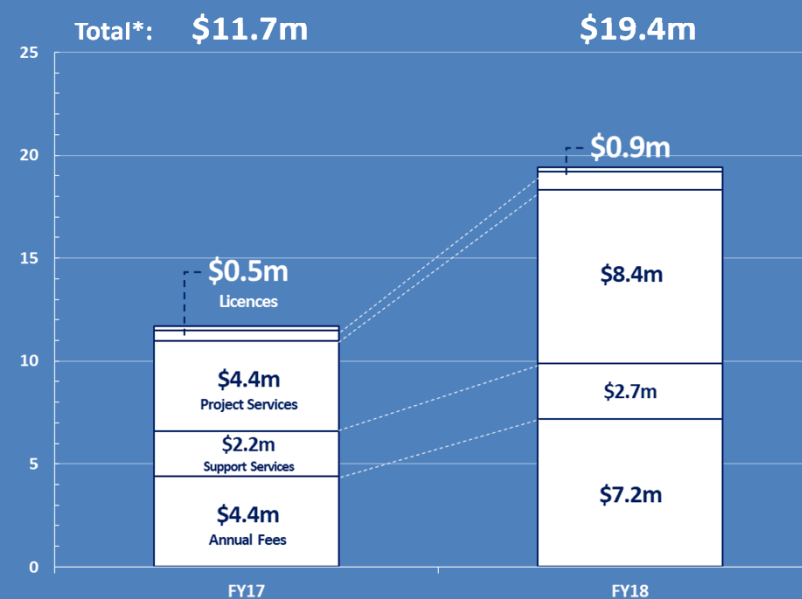


Licence Revenue
up 67%
on FY17

Annual Fees
up 86%
on FY17

Annual Recurring Revenue
\$54.1m
up 49%

Airports



Licence Revenue
up 80%
on FY17

Annual Fees
up 64%
on FY17

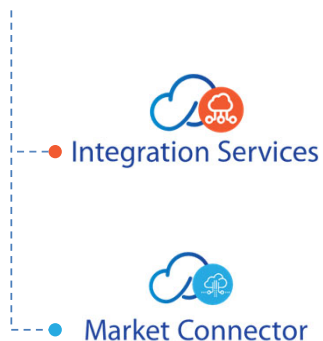
Annual Recurring Revenue
\$9.9m
up 50%

* Total includes Other revenues

Transition to SaaS

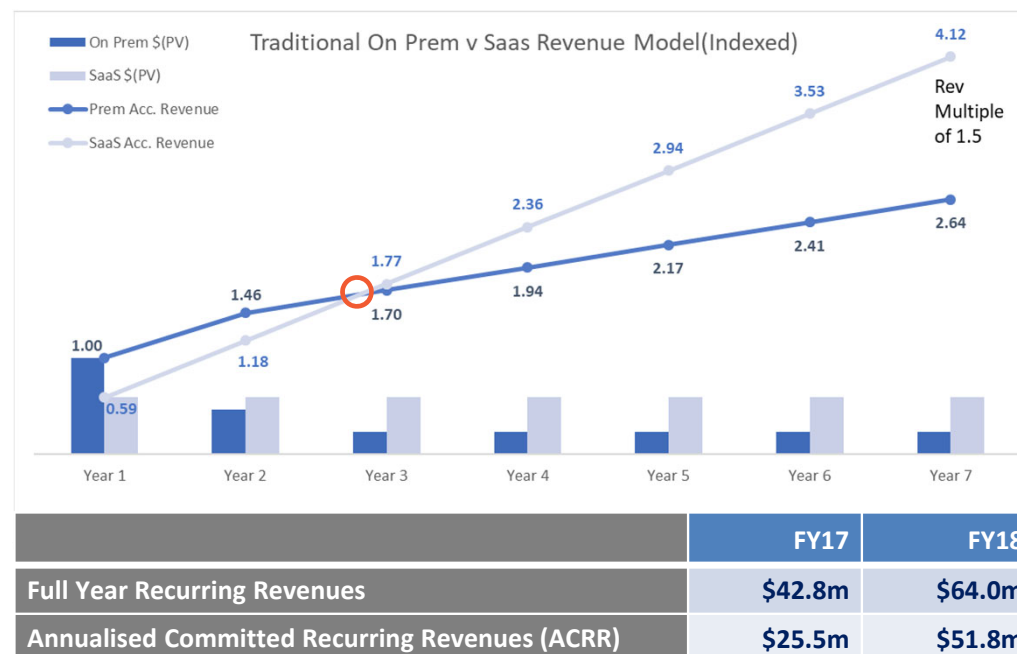


- Investing in pre-configured product for each market to accelerate delivery
- Developing cloud-native solutions which enable utilities to innovate at pace with lower costs
- Signing new customers on SaaS basis provisioned in the Cloud:
 - Increasing total lifetime value of customers
 - Growing contracted recurring revenues and margins
- Transition to SaaS revenue and operating model being achieved while maintaining profit growth
- Partnered with Amazon Web Services (AWS) to underpin our offering
- Delivered first cloud-native solutions**



Unlocking the value of customer data and enhancing the customer service experience through pre-built connectors to 3rd party apps and new technologies.

Harmonising market interactions and compliance for UK suppliers, bringing billing, customer information and market interaction capabilities into a single subscription.



TOTAL R&D SPEND

\$11.2m

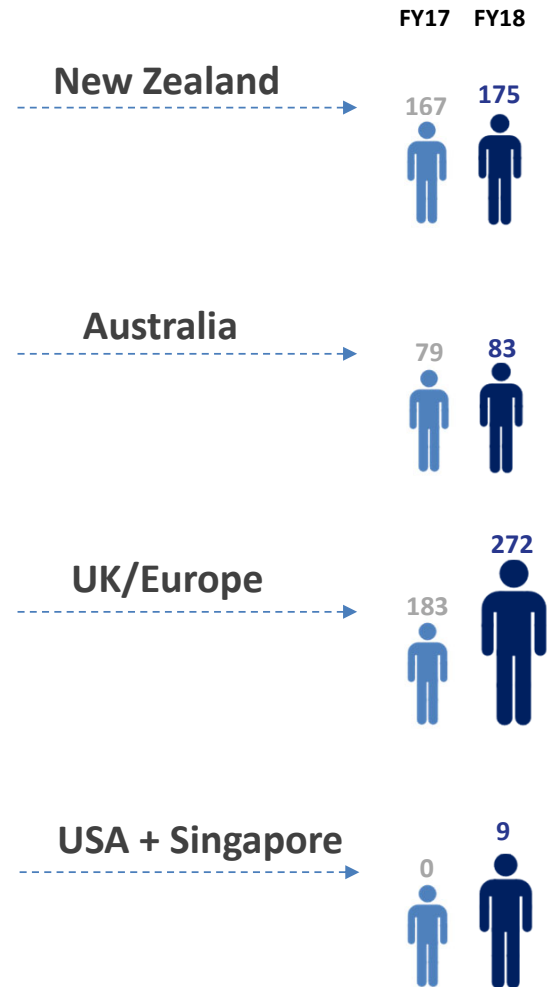
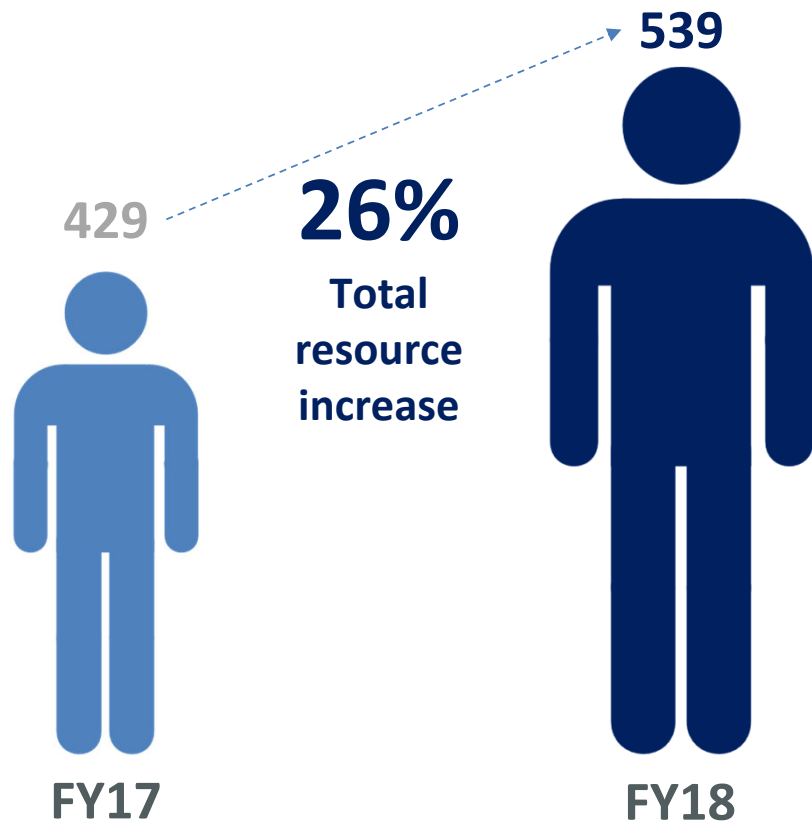
EXPENSED R&D

\$7.5m

CAPITALISED R&D

\$3.7m

Global resource growth and diversity



49%
UK/Europe
resource increase

24%
Female

Evolve Analytics acquisition



- Acquired in June 2018 for EV £23.0m (NZ\$44.9m)
- A leading SaaS solution provider to the UK energy sector
- Specialise in the identification and correction of meter data errors, and reconciliation of energy and network cost settlement
- SaaS based solution and services improve revenue collection and cost control, and is highly complementary to our core billing and customer engagement solutions
- Opportunity to cross sell into the existing UK customers



Q4 results (3 months post acquisition)

Revenue: \$1.4m

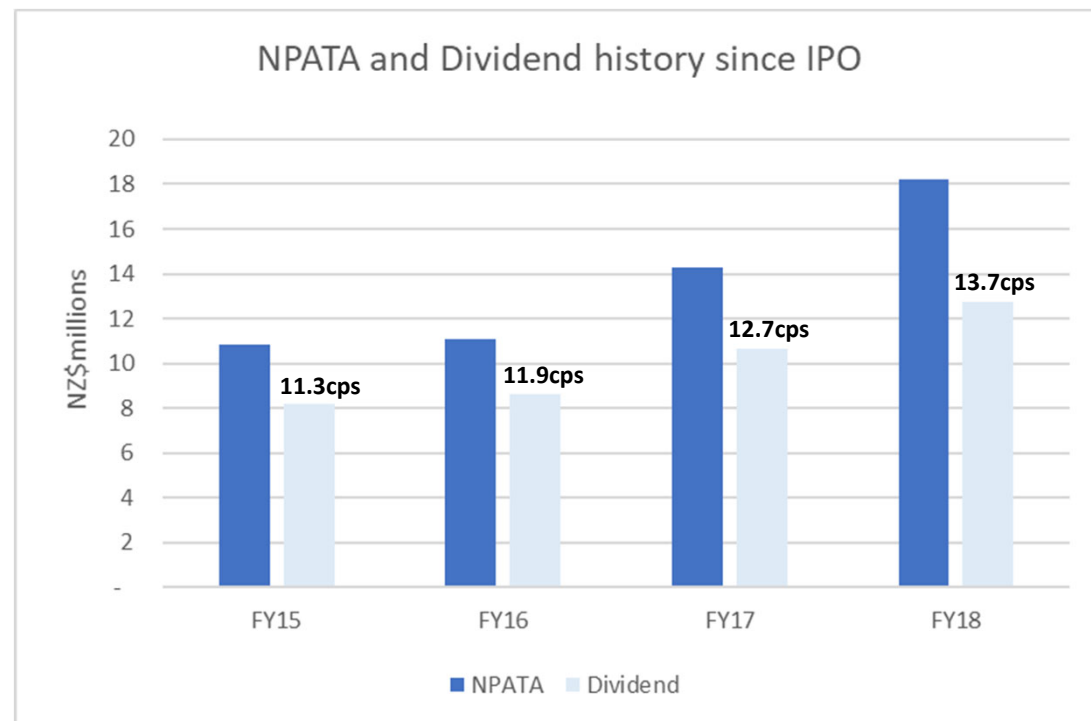
EBITDA: \$0.9m



Dividend



- Final dividend of NZ 8.7 cents per share declared bringing the full year dividend for FY18 to NZ 13.7 cents per share
- Represents 70% FY18 NPATA
- Dividend policy unchanged but subject to review if/when any further acquisitions are undertaken
- Based on the closing share price on 23 November of NZ\$6.48 and including the FY18 final dividend, total shareholder return since IPO is 192%
- **Dividend Record Date:** 13 December 2018
- **Dividend Payment Date:** 21 December 2018



Total pay-out:
\$12.8m (70% of NPATA)

Outlook



- We remain confident in our 15%+ long-term organic EBITDA growth target
- Annual performance remains dependent on timing of projects and contracts
- Currently there is significant uncertainty for UK energy retailers. Government intervention and price regulation have compounded Brexit concerns. Customers are adopting a cautious approach to new projects in our pipeline
- Increased failures amongst smaller independent UK retailers
- Australian energy price volatility and government reviews also introducing investment uncertainty for customers
- We will update the outlook with the half year results

Market Opportunities - Utilities



CURRENT



United Kingdom

100+ energy suppliers
35+ water suppliers



Singapore

20+ energy suppliers



New Zealand

35 energy suppliers



Australia

75 energy suppliers
45 water suppliers

GENTRACK CUSTOMERS

#2

58 energy suppliers
2 water suppliers

#4

3 energy suppliers

#1

19 energy suppliers
and distributors
2 Water suppliers

#2

13 energy suppliers
9 water suppliers

EMERGING



- Monitor reforming energy and water markets where our IP is of value
- Grow Singapore and leverage our IP in the region
- Partner to accelerate our expansion
- Entry into new markets viable in their own right.

Market Opportunities - Airports



**NEW:
FY18**



**VEOVO
CUSTOMER
COUNT**

78

11

16

13

UK/EUROPE

NORTH AMERICA

APAC

REST OF WORLD

**GROWTH
FOCUS**



Veovo customers include 24 of the World's Top 100 Airports of 2018 (Skytrax)



WWW.GENTRACK.COM

GAAP to Non-GAAP profit reconciliation



Period	12 Months 30-Sep-18	12 Months 30-Sep-17
Reported net profit for the period (GAAP)	13,869	11,825
Add back: amortisation	5,690	3,314
Add back: tax adjustment for amortisation	(1,451)	(845)
NPATA	18,108	14,294
Add back: net finance expense/(income)	1,820	1,152
Add back: income tax expense less tax adjustment above	8,314	6,456
Add back: depreciation and amortisation	1,297	677
Add back: acquisition costs	1,268	1,325
Less: revaluation of acquisition related financial liability	(3,835)	
Add back: Impairment of goodwill	3,984	
EBITDA	30,956	23,904