



Gentrack

Gentrack Group Ltd (GTK)
FY19 – Half year update
as at 31 March 2019

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 unaudited financial information for the half year ended 31 March 2019.

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



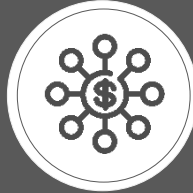
ACHIEVEMENTS IN H1

- Completion of productised market ready SaaS solutions for energy and water sectors in the UK, Australia and Singapore
- New customers include four utilities in the UK signing for our latest SaaS solutions and one new airport in Australia
- Gentrack customers rank in the Which? survey of UK energy suppliers released in H1 2019: 6 of Top 10 suppliers using Gentrack solutions
- Continued deployment of our Gentrack Cloud Integration Services platform with key projects in all markets
- Veovo had follow on projects at Ports of Jersey and Wellington Airport, and projects advanced at Perth, Orlando, Melbourne, London City, Auckland and Newark Liberty airports.



H1 FY19 FINANCIAL HIGHLIGHTS

REVENUE



\$54.4m

Up 5% on H1 FY18

EBITDA



\$12.8m

Down 19% on H1 FY18

Adjusted NPAT¹



\$4.6m

Down 45% on H1 FY18

DIVIDEND



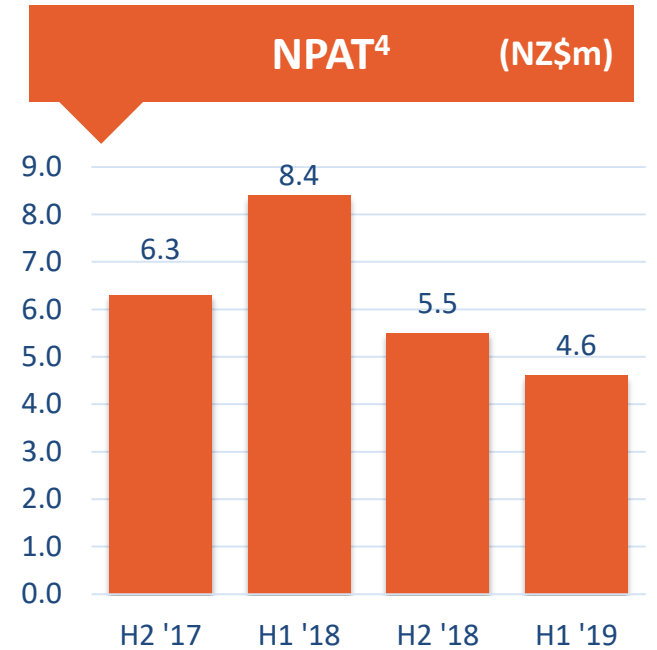
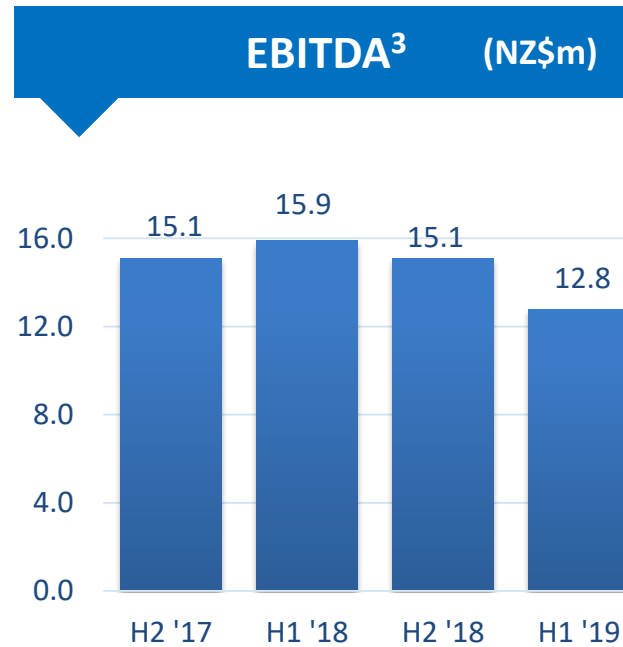
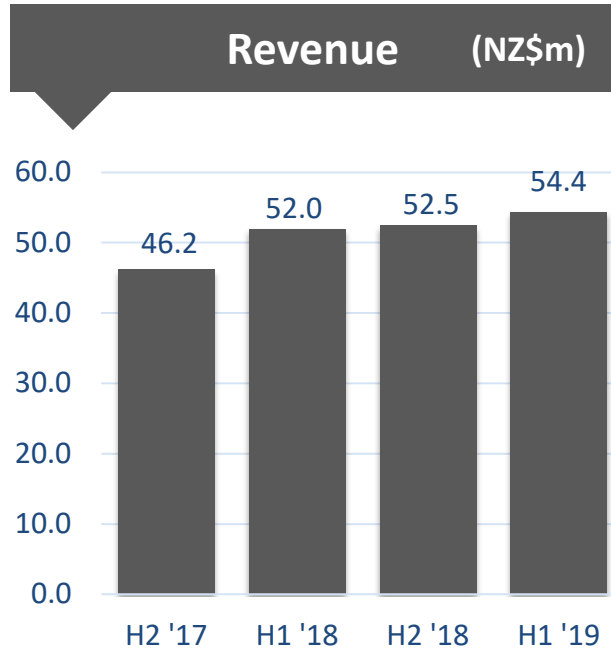
5.0cps

No change on H1 FY18.

To be paid on 14 June 2019

¹ Adjusted NPAT – Underlying NPAT before non cash charges related to impairment

COMPARATIVE RESULTS



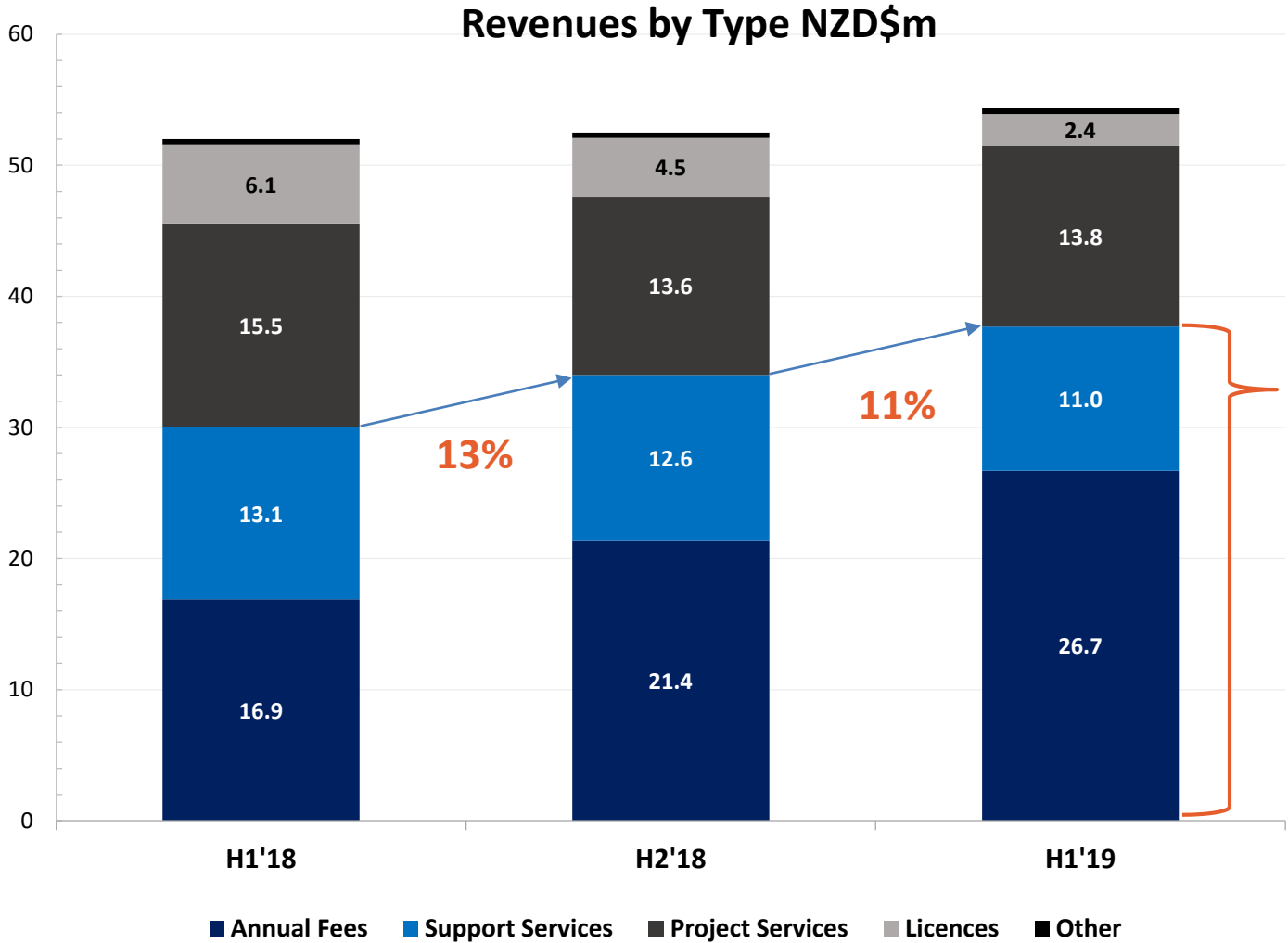
Investment in solutions and capability to support the transition to SaaS

³ Underlying EBITDA, being earnings before net finance expense, income tax, depreciation, amortisation and non-operating costs. EBITDA is a non-GAAP measure – refer to slide 19 for a reconciliation to reported net profit.

⁴ Adjusted NPAT – Underlying NPAT before non cash charges related to impairment



CHANGING REVENUE MIX



H1 FY19
Recurring Revenue
\$37.7m
 up 26% on H1 FY18
 69% of total

Perpetual Licencing and Services revenues declining with ongoing productisation and move to SaaS



INCREASED RECURRING REVENUE



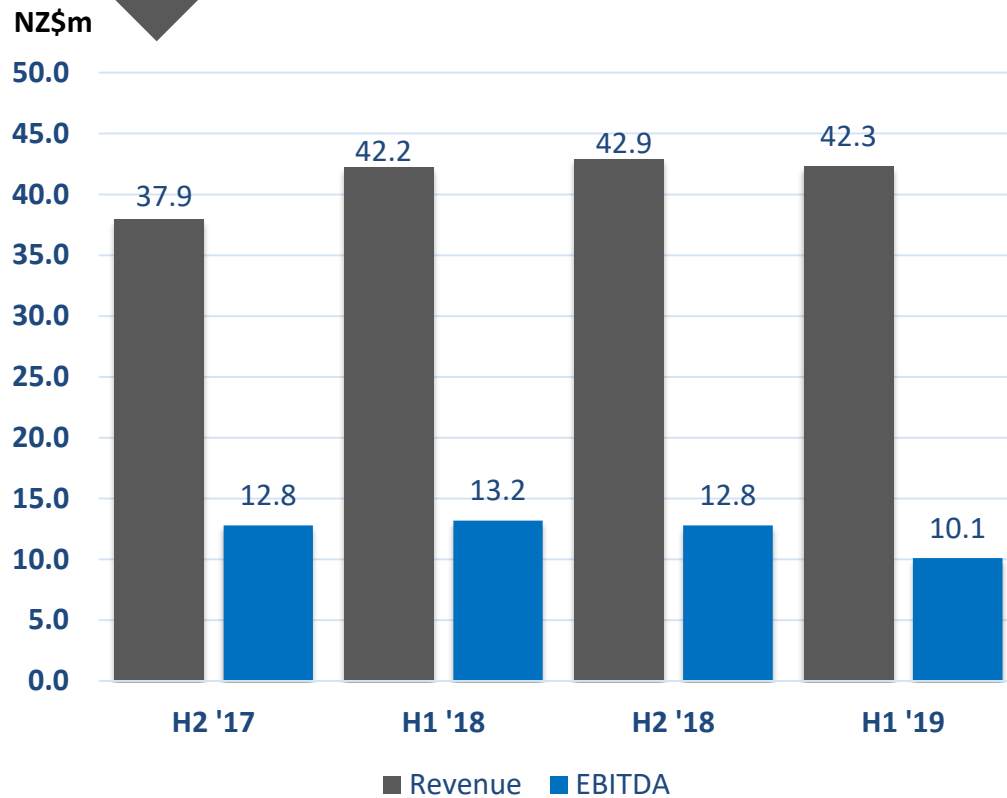
March 18 Annualised Recurring Revenue up 33% to \$74M on prior comparative period

Our SaaS revenues per customer are c. 1.5 times the traditional perpetual licence model over 7 years

DIVISIONAL ANALYSIS

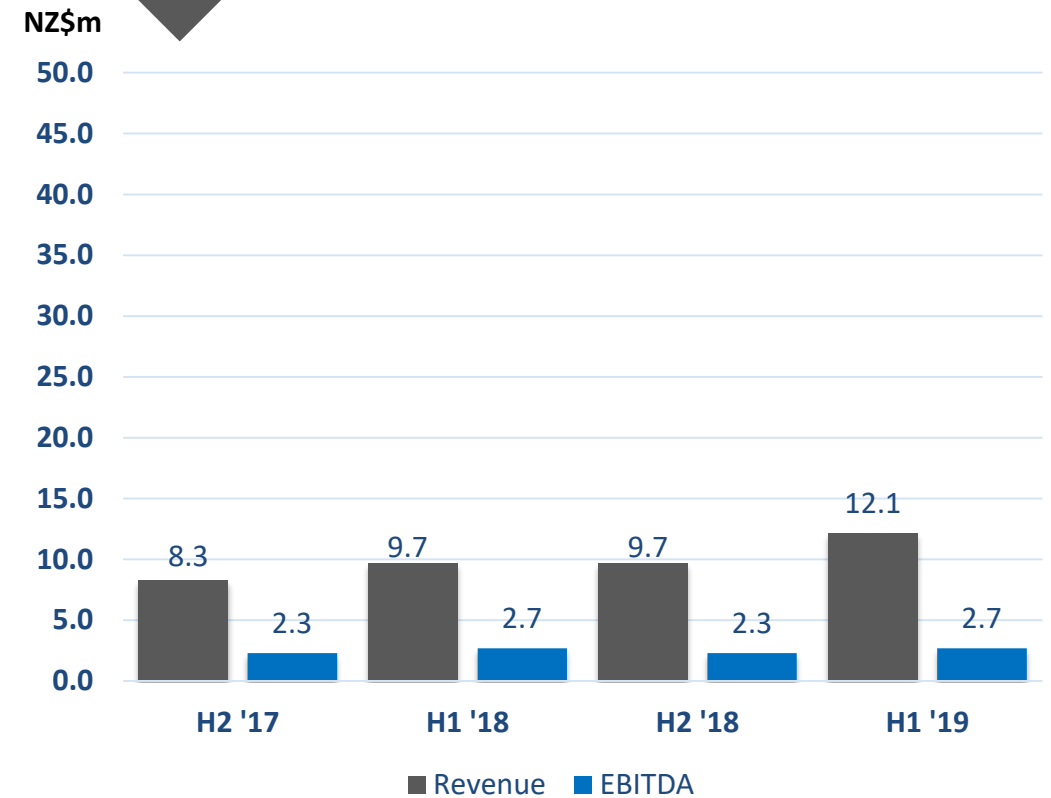
UTILITIES

- Revenue on par with H1 FY18
- EBITDA down 23% on H1 FY18

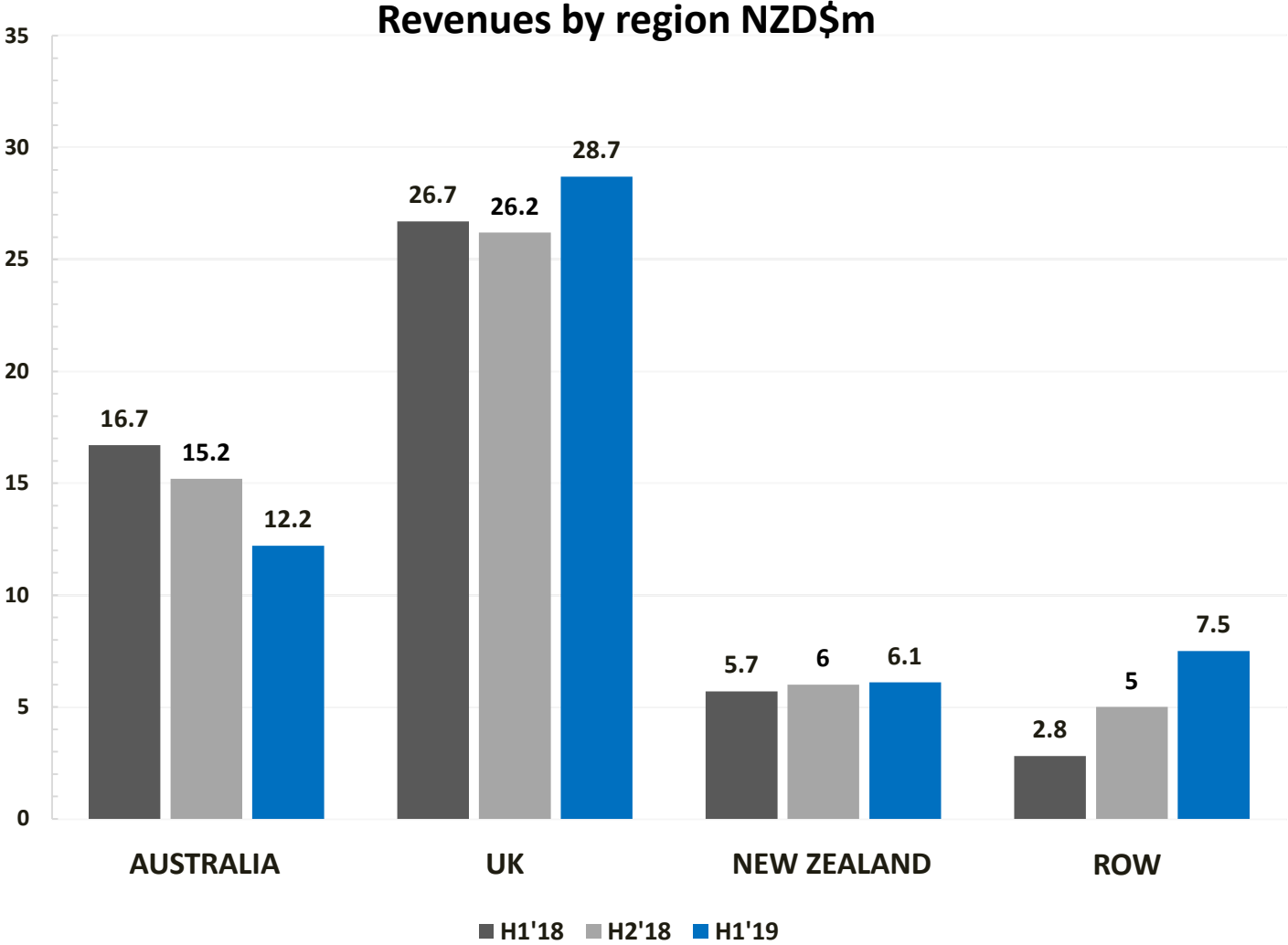


AIRPORTS (VEOVO)

- Revenue up 25% on H1 FY18
- EBITDA on par with H1 FY18



GEOGRAPHIC ANALYSIS



H1 FY19 vs H1 FY18

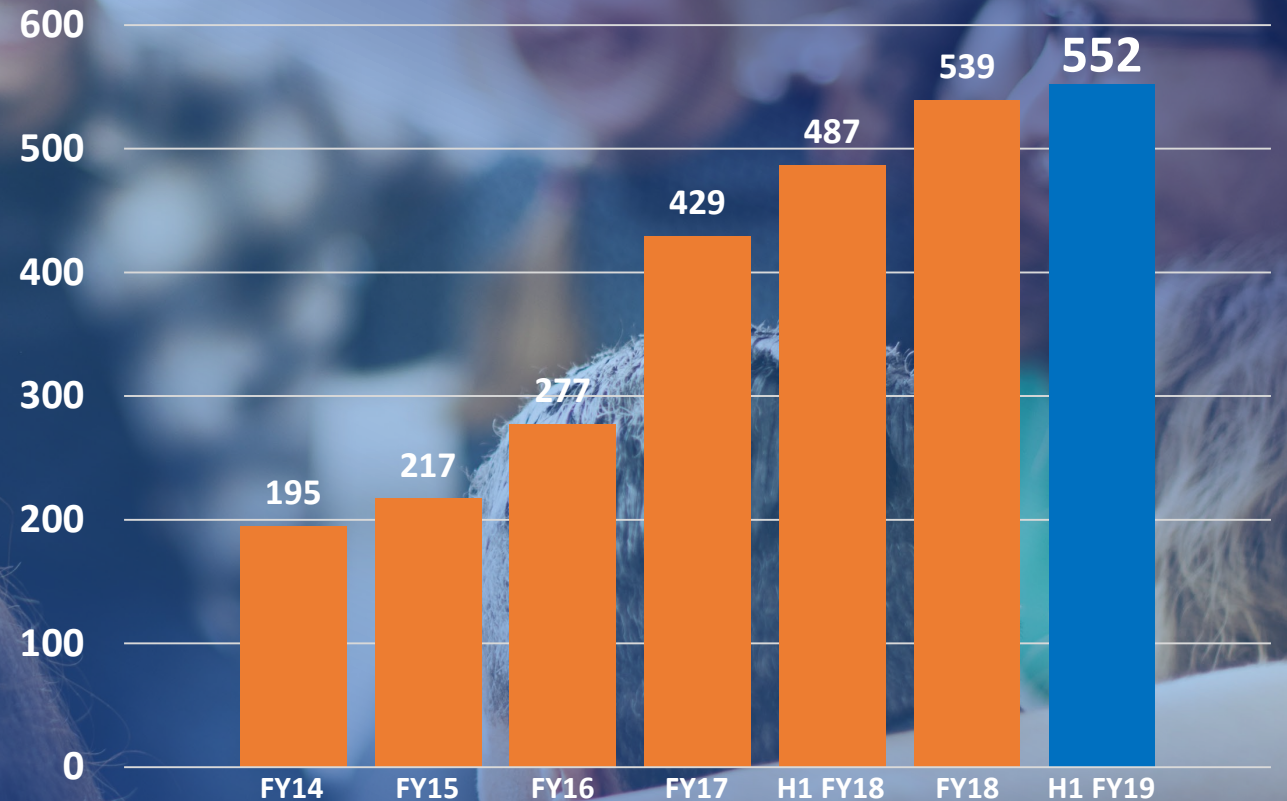
- Australia: Down 27%
- UK: Up 7%
- NZ: Up 7%
- ROW: Up 168%



INVESTING IN PEOPLE TO ENABLE OUR STRATEGY

Changing our skillset:

- Supporting our transition to SaaS
- Running global operations at scale
- Managing a customer success business
- Adopting agile development and delivery approach
- Development of new products with new technology
- Delivering larger projects.



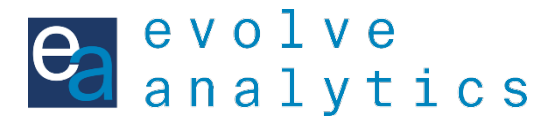
IMPAIRMENT OF CA PLUS

- CA Plus was acquired in May 2017 as an early stage business delivering retail and concessionaire management solutions for airports
- In September 2018, based on sales results, we revalued the deferred consideration and impaired Goodwill with a net impact of \$0.1m
- During the 6 months to 31 March 2019, expected sales growth has not been delivered and we are taking the decision to write the investment off, with a full impairment of the \$14.6m carrying value
- There is clear demand for a solution to manage concessionaire revenues in the global airports sector
- We will be fully integrating the business into the Airport 20/20 portfolio in H2 FY19 which will enable us to leverage IP and existing specialist resources, as well as reshaping the sales approach to realise the market opportunity.



THREE SUCCESSFUL ACQUISITIONS DRIVING GROWTH

- Junifer launched in Australia and continuing to gain market share in the UK
- Evolve planned market entry into Australia
- Blip growing strongly in North America and cross selling into the Veovo customer base.



DIVIDEND

5.0cps interim dividend declared (same as 1H FY18)

Revision of dividend policy set at time of IPO in June 2014:

- Original 70-80% of NPATA (NPAT adjusted for the amortisation of acquisition related intangibles) subject to outlook, capital and liquidity requirements
- Revised to at least 70% of underlying NPAT, subject to outlook, capital and liquidity requirements.



FY19 – FULL YEAR OUTLOOK

- Strong second half with full year EBITDA result expected to be marginally ahead of FY18
- Results are dependent on the timing of key contracts and project milestones
- We continue to see cautious investment behaviour by UK utilities as a result of Brexit, energy price regulation, and fewer new entrant energy retailers
- Australian energy regulation and Default Market Rates introducing investment uncertainty for energy retailers
- We see increasing acceptance by utilities of SaaS based solutions
- We have contracts with 4 of the 'Big 6' UK energy suppliers with significant growth potential
- Based on our increasing recurring revenues and pipeline of opportunities, we are confident in our 15% long-term organic EBITDA growth target.





Gentrack

APPENDICES

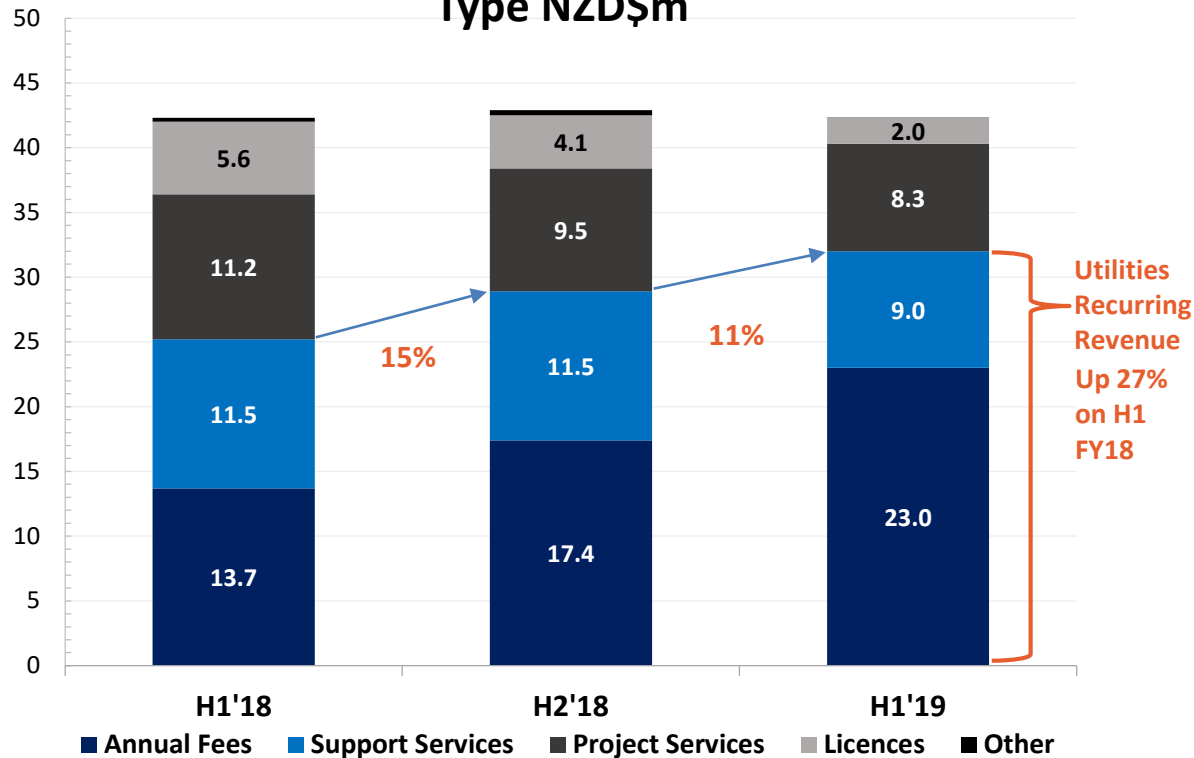
STRATEGIC FOCUS

- Utilities are shifting their mindset to cloud solutions which is reflected in our ARR growth and continued adoption of our new products
- Moving our existing customers into SaaS
- Continuing to productise our offerings, build new capabilities and support ongoing industry changes
- Continued cross-selling of acquired solutions into our existing customer base
- Ongoing development and investment in our global ecosystem of technology partners as a key component of our value proposition
- Monitoring opportunities in new geographies and potential acquisitions
- Continued UK growth with new product and service offerings and projects in 4 of the 'Big 6'.

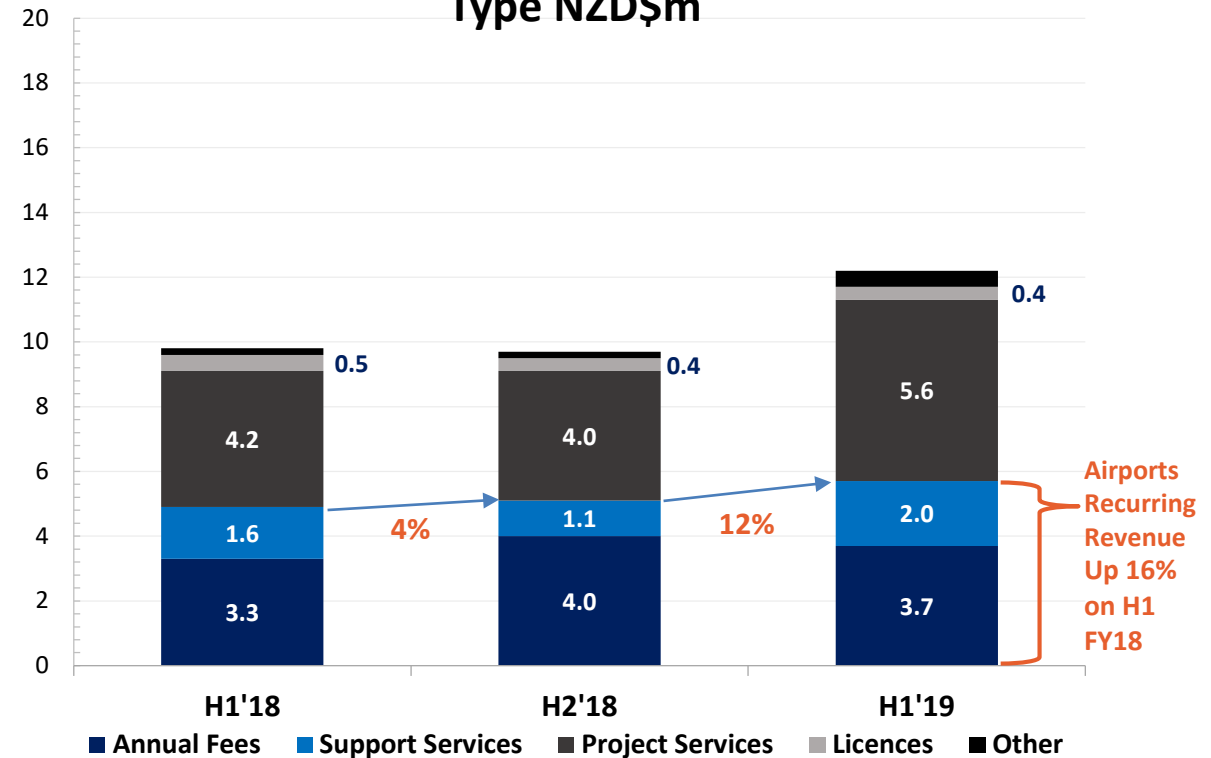


REVENUE TYPE MIX BY DIVISION

Utilities Revenues by Type NZD\$m



Airports Revenues by Type NZD\$m



GAAP TO NON-GAAP PROFIT RECONCILIATION

Period	NZ\$000	6 Months 31-Mar-19	6 Months 31-Mar-18	12 Months 30-Sep-18
Reported net (loss)/profit after tax		(8,700)	8,364	13,869
Add: Amortisation		3,773	2,605	5,690
Add: Tax adjustment for amortisation		(846)	(664)	(1,451)
NPATA		(5,773)	10,305	18,108
Add: Net finance expense/(income)		1,540	1,475	1,820
Add: Income tax expense (less tax adjustment above)		1,504	3,776	8,314
Add: Depreciation		967	409	1,297
Add: Acquisition costs		-	(67)	1,268
Less: Revaluation of acquisition related financial liability		-	-	(3,835)
Add: Goodwill and intangible asset impairment		14,551	-	3,984
EBITDA		12,789	15,898	30,956



H1 FY19 ON A CONSTANT CURRENCY BASIS

NZ\$000	H1 FY18	H1 FY19	H1 FY19 Constant Currency***	Difference	Δ %
Revenue	51,977	54,421	54,726	(305)	(0.6)%
Operating Costs	(36,080)	(41,632)	(41,515)	(118)	(0.3)%
EBITDA*	15,898	12,789	13,212	(423)	(3.2)%
NPAT**	8,364	4,641	4,617	24	0.5%

* Underlying EBITDA, being earnings before net finance expense, income tax, depreciation, amortisation and non-operating costs. EBITDA is a non-GAAP measure – refer to slide 19 for a reconciliation to reported net profit.

** Adjusted NPAT - Underlying NPAT before non cash charges related to impairment

*** Based on H1 FY18 exchange rates applied to H1 FY19 actuals





WWW.GENTRACK.COM