

## MARKET ANNOUNCEMENT

26 November 2020

### Gentrack Full year results to 30 September 2020

---

Gentrack Group Limited (NZX/ASX: GTK), a leading provider of software solutions for utilities and airports, today released its results for the year to 30 September 2020.

#### Results Summary

- Revenue: \$100.5m - down 10% on FY19
- Committed Monthly Recurring Revenue: \$56.7m – up 18% on FY19
- EBITDA<sup>1</sup>: \$12.1m - down 51% on FY19
- Statutory NPAT: (\$31.7m) – driven by non-cash write-downs
- Adjusted NPAT<sup>2</sup>: \$2.4m
- Net cash: \$16.8m up \$12.2m on FY19
- No Final Dividend payable

The results for the year show underlying EBITDA of \$12.1m, down 51% on FY19, off the back of lower FY20 revenues coming in at \$100.5m, a 10% decrease on FY19. Despite the decline, Annual Recurring and Committed Monthly Recurring Revenues for the year have increased by 4.9% and 18% respectively reflecting new utilities business in Australia and the UK, and net growth in the meter points for existing customers in these regions. It also reflects new airports business won in the year in Australia, North America and Europe.

Net Cash at 30 September 2020 has increased by \$12.2m over the same period last year, marking a strong year in cash generation. Costs were down by \$3.2m in H2'20 (vs H1'20) reflecting the impact of the cost-out programme in March 2020, COVID-19 cost reductions and other savings measures.

The Group has recorded a Statutory NPAT loss of \$31.7m for the full year including an impairment charge of \$34.5m primarily related to goodwill impairments in both the Blip and Utilities businesses, reflecting uncertainty in the outlook.

In light of the NPAT loss, the Board has taken the decision not to pay a final dividend.

CEO Gary Miles said, “The results reflect a tough year for our utilities and airports customers. Pleasingly the revenue mix and shift in annual recurring revenues is positive. We see opportunities in our markets and our strong net cash position sets us up to accelerate our technology investment and lead the industry as it transforms to the cloud and clean technologies. This year we’ve also played a key role in enabling our customers to adapt to COVID, keeping their mission critical systems operational and ready to support customer hardship at this time.”

---

<sup>1</sup> EBITDA: Earnings before depreciation, amortisation, impairments and non-operating expenses related to acquisitions.

<sup>2</sup> Adjusted NPAT - Underlying NPAT adjusted for the impairment of Goodwill and intangible assets

“Coming into the business in October, I’m energised by the strong management team, including recent hires, and the passion and experience of our people. We’re in a good position to bring innovative cloud solutions as a key advantage for energy, water and airports customers.”

As stated at the half year, COVID-19 had no operational impact on the business in H1. The full year results however have been impacted by global economic events with some delays in utilities projects and more significant delays in airports programmes.

The Utilities business achieved a 4.3% increase in Annual Recurring Revenue, with overall revenue of \$81.8m for the year declining by 7.3% due to the completion of prior projects and customer losses, driven by supplier insolvencies, consolidations and competitive activity in the UK. In Australia, key billing and customer management projects were started and put live contributing to the increase in Annual Recurring Revenues and a subsequent decline in non-recurring revenues.

Veovo has recorded revenues of \$18.8m, down 20% on FY19, capping off a tough year for the airports industry globally with revenue for many airports being reduced by over 80% as COVID-19 travel restrictions were implemented. Airport operation systems are an essential service to the aviation industry which has enabled Veovo to remain profitable. Numerous projects were completed throughout the year in Europe, North America and Australia.

As per the outlook given in September, Gentrack continues to see market opportunities and has plans for ongoing investment in new cloud technology and the skills required to compete. It is expected that the full year EBITDA<sup>1</sup> run rate for FY21 will be well below that of the H2 FY20 run rate, however, this may reduce FY21 profitability closer to break-even depending on the levels of future product investment and other factors.

A further update will be provided at the Annual Meeting in February.

All figures are presented in NZ\$.

## ENDS

\*\*\*\*\*

### Contact:

James Spence, CFO  
+64 9 966 6090

\*\*\*\*\*

## Full Year Results Investor Briefing Details

Gentrack Group Limited (NZX/ASX: GTK) invites investors to a conference call on Thursday 26 November 2020 at 11:30am NZT / 9.30am ADST (duration 1 hour) to review Gentrack's results for the full year ended 30 September 2020.

This investor briefing will be available via a webcast (presentation slides and audio only) or 'audio only' service. Please follow the instructions outlined below to access the event.

The audio recording from the briefing will be made available in the Gentrack Investor Centre (<https://www.gentrack.com/investors>) following the call.

## Webcast Instructions

To join the investor briefing online, click on the link below to view, listen to and ask questions on the Investor presentation directly from your laptop, tablet or mobile device. Please note if you are using the Webcast option, it is not necessary to dial into the audio conference as well, unless you wish to ask verbal questions during Q&A. Audio will stream through your selected device, so be sure to have headphones or your volume turned up. If you have technical difficulties, please click the "Listen by Phone" button on the webcast player and dial the number provided.

[https://globalmeet.webcasts.com/starthere.jsp?ei=1393948&tp\\_key=de45d764be](https://globalmeet.webcasts.com/starthere.jsp?ei=1393948&tp_key=de45d764be)

## Audio only – Participant Access Instructions

For the 'audio only' option, you can access the investor briefing from your phone. Please join the briefing 5-10 minutes prior to the start time. You will be asked to provide the event name, your name and participant passcode as below:

- **Event Name:** Gentrack Investor Briefing
- **Participant Passcode:** 563617  
(Following entry, please provide the required details when prompted)

The dial-in numbers for available locations are listed below.

-	Australia	Tollfree/Freephone	1 800 590 693
-	Australia, Brisbane	Local	+61 (0)7 3105 0937
-	Australia, Melbourne	Local	+61 (0)3 8317 0929
-	Australia, Sydney	Local	+61 (0)2 9193 3719
-	Denmark	Tollfree/Freephone	80 70 16 37
-	Denmark, Copenhagen	Local	+45 35 15 80 48
-	Hong Kong	Tollfree/Freephone	800 961 113
-	Hong Kong	Local	+852 3008 1533
-	Ireland	Tollfree/Freephone	1800 936 706
-	Ireland, Dublin	Local	+353 (0)1 246 5637
-	New Zealand	Tollfree/Freephone	0800 423 972
-	New Zealand, AKL	Local	+64 (0)9 9133 624
-	Singapore	Tollfree/Freephone	800 186 5106

-	Singapore	Local	+65 6320 9041
-	United Kingdom	Tollfree/Freephone	0800 358 6374
-	United Kingdom	Local	+44 (0)330 336 9104
-	United States, LA	Local	+1 323-794-2095
-	United States/Canada	Tollfree/Freephone	866-519-2796

Questions can be submitted online via the Webcast platform or the audio call system when prompted. Personal information provided for the purpose of registration will not be disclosed to any third parties and will only be used by Gentrack to manage participant interaction.

## About Gentrack

Gentrack designs, builds and delivers the high-performing, cloud-first revenue and customer experience solutions found at the heart of leading utilities and airports around the world. Our customers lead in some of the most deregulated and innovative markets in the world; pioneering innovation, driving effective transformation in the management and delivery of two of our planet's most precious resources; energy and water.

More information: [www.gentrack.com](http://www.gentrack.com)

## Appendix

### NON-GAAP PROFIT REPORTING MEASURES

Gentrack's standard profit measure prepared under New Zealand GAAP is net profit. Gentrack has used non-GAAP profit measures when discussing financial performance in this document. The directors and management believe that these measures provide useful information as they are used internally to evaluate performance of business units, to establish operational goals and to allocate resources.

Non-GAAP profit measures are not prepared in accordance with NZ IFRS (New Zealand International Financial Reporting Standards) and are not uniformly defined, therefore the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should not be viewed in isolation or considered as a substitute for measures reported by Gentrack in accordance with NZ IFRS.

### Definitions

**EBITDA:** Earnings before depreciation, amortisation, impairments and non-operating expenses related to acquisitions.

### FY20 Adjusted NPAT Reconciliation

	12 Months 30 September 20 NZ\$m
<b>Reported net (loss)/profit after tax</b>	<b>(31.7)</b>
Goodwill and intangible impairment	34.5
Less: Deferred tax impact of intangible impairment	(0.4)
<b>Adjusted NPAT</b>	<b>2.4</b>

### GAAP to non-GAAP profit reconciliation<sup>3</sup>

Period NZ\$m	12 Months 30 Sep 19	12 Months 30 Sep 20
<b>Reported net profit/(loss) for the period (GAAP)</b>	<b>(3.3)</b>	<b>(31.7)</b>
Add: Net finance expense	0.8	0.4
Less: Income tax (benefit) / expense	3.7	(2.6)
Add: Depreciation and amortisation	9.4	(12.4)
Less: Revaluation and acquisition related liability	(0.4)	(0.9)
Add: Impairment of goodwill and intangible assets	14.6	34.5
<b>EBITDA</b>	<b>24.8</b>	<b>12.1</b>

<sup>3</sup> Extracted from audited full year financial statements.