

Smart Parking Limited (ASX:SPZ)

Q1 FY22 Business Update

29 October 2021
CEO Paul Gillespie

[smartparking.com](https://www.smartparking.com)

Q1 FY22 Update

738 Total sites
up 19% 

**As of 30 Sept 2021 compared to PCP*

Adjusted EBITDA
\$2.5m up 

190%

**Compared to PCP*

Growth in parking
breach notices up 

54%

**Q1 FY22 compared to PCP*

Cash of
\$10.9m

**At 30 Sept 2021*

\$2.6m
Free cash flow

**Full year FY21 \$1.1m*

1,000
Sites target by
June 2023 – reaffirmed

Business Update

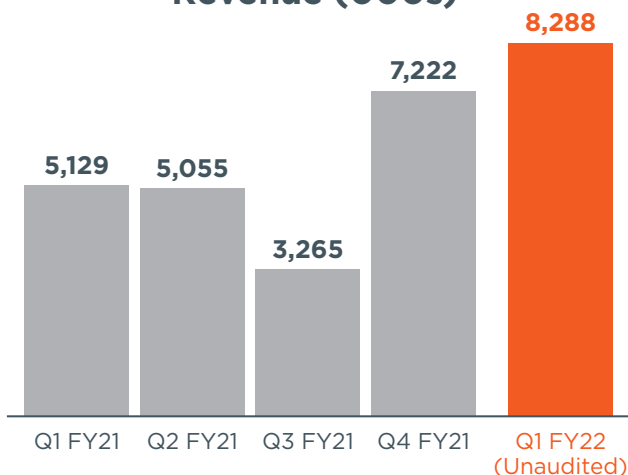
| Strong growth trajectory as UK restrictions ease and expanding addressable markets in New Zealand and Australia

- UK Parking Services business experiencing rapid growth as COVID-19 restrictions ease, with all key metrics at or around pre-pandemic levels.
- Completed acquisition of Enterprise Parking Solutions with 68 new sites.
- 738 total group sites under management as at 30 September - on track for 1,000 sites under management by June 2023.
- NZ Parking Services business growth strategy temporarily impacted by COVID-19 restrictions. 11 sites now installed, scope for significant growth.
- Pandemic-related restrictions also have temporarily impacted roll-out of new sites in Australia. Growth to resume as lockdowns lift, highly attractive market.
- Technology order book intact with \$3.3m of booked orders predominantly to be recognised in H2 FY22.
- Positive outlook for further growth in Q2.

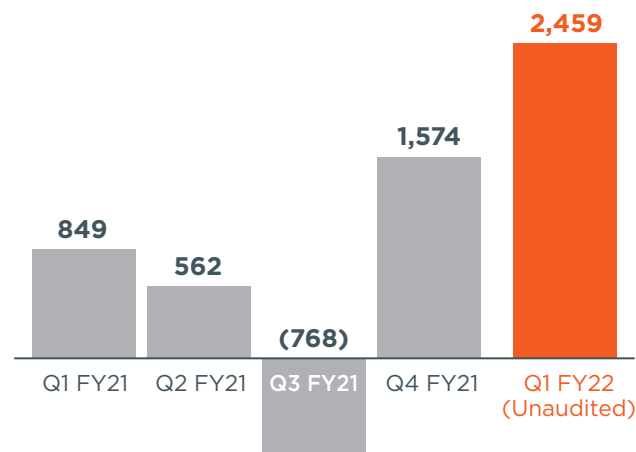
Recovery under way

| Revenue growth and margin expansion

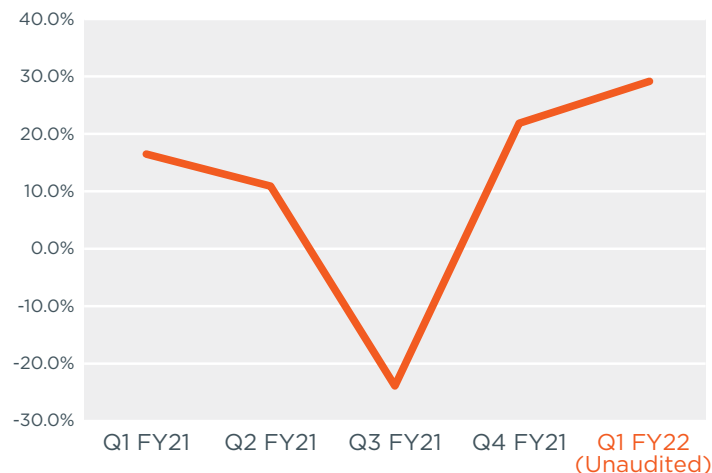
Revenue (000s)



Adjusted EBITDA (000s)



Adjusted EBITDA % Margin Chart



- All time record margin.
- Scale benefits driving operational gearing.
- Favourable margin mix in Q1.
- High incremental margin on additional PBNs.
- Overheads up 38% on PCP with increased headcount, staff returning from furlough, reinstatement of salaries, and from increased activity.



Revenue up

62% on PCP

61% on Q1 FY20
(pre-COVID)



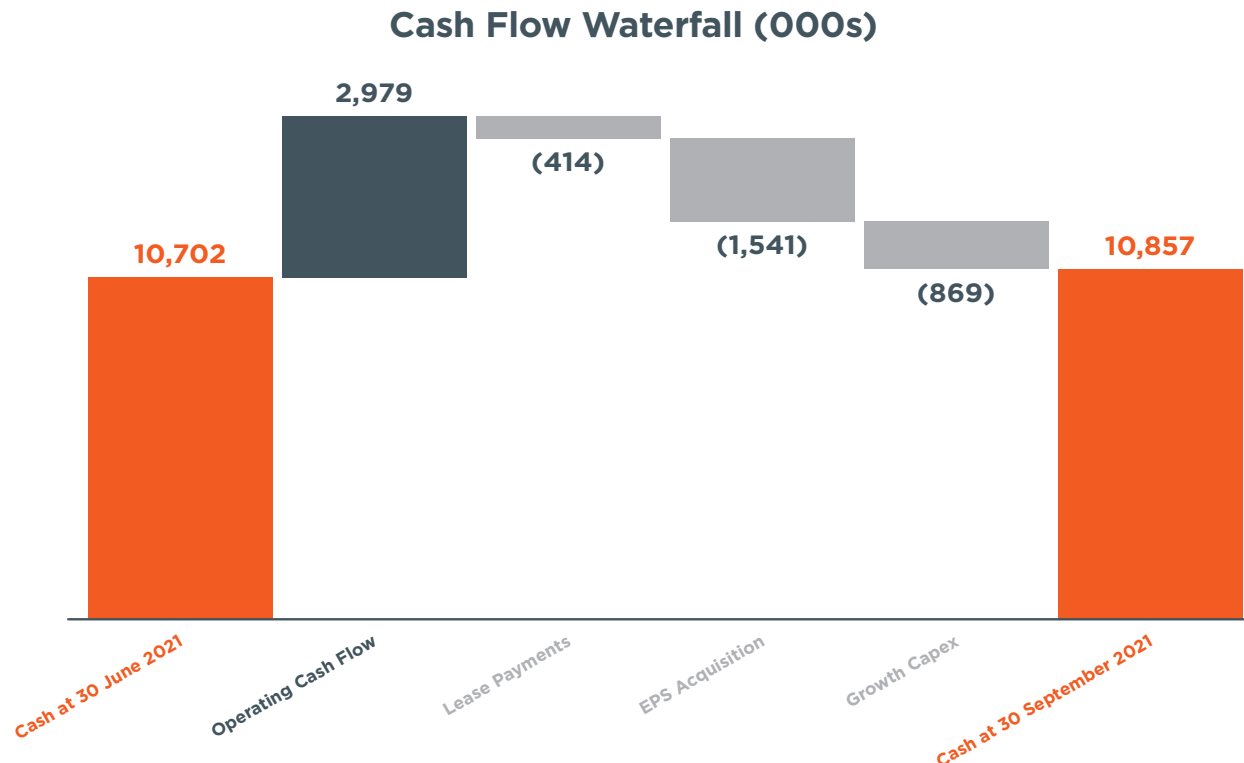
Adjusted EBITDA up

190% on PCP,

191% on Q1 FY20
(pre-COVID)

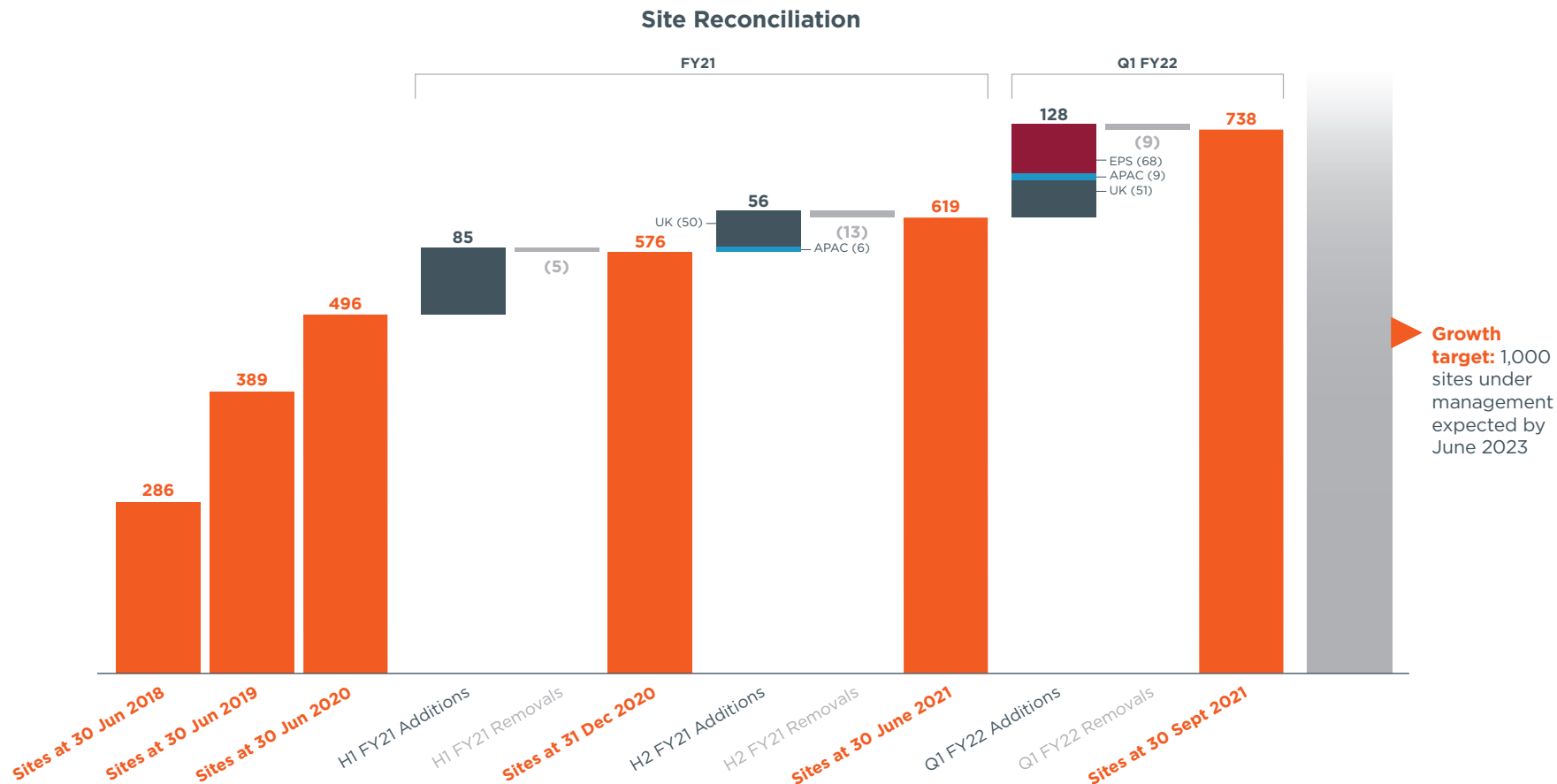
Positive free cash flow

| Strong balance sheet to fund growth



- Cash flow positive.
- Positive operating cash flow of \$3.0m.
- Cash on hand of \$10.9m as at 30 September 2021.
- Growth capex of \$0.9m including ANPR camera equipment which will benefit future periods.
- Average payback for UK ANPR and Managed Services investment is 7-9 months.
- Total capex investment in FY22 to be \$2-3m to capitalise on significant growth opportunities.
- Acquired Enterprise Parking Solutions for \$1.5m in August 2021. Disciplined evaluation of new M&A opportunities.

Management services – growing the estate



UK ANPR roll out continues

- **51** new sites installed in Q1 FY22 with 9 removed.
- **68** new sites from acquisition of Enterprise Parking Solutions.

Growing APAC managed services

- **15** sites in New Zealand/Australia installed (as at 30 September)
- Installations heavily impacted by country and regional lockdowns.

119

Net new sites added in Q1 FY22

1,000

Sites growth target by June 2023 – reaffirmed

180

Net new UK sites expected in FY22 & FY23, with additional APAC site installations

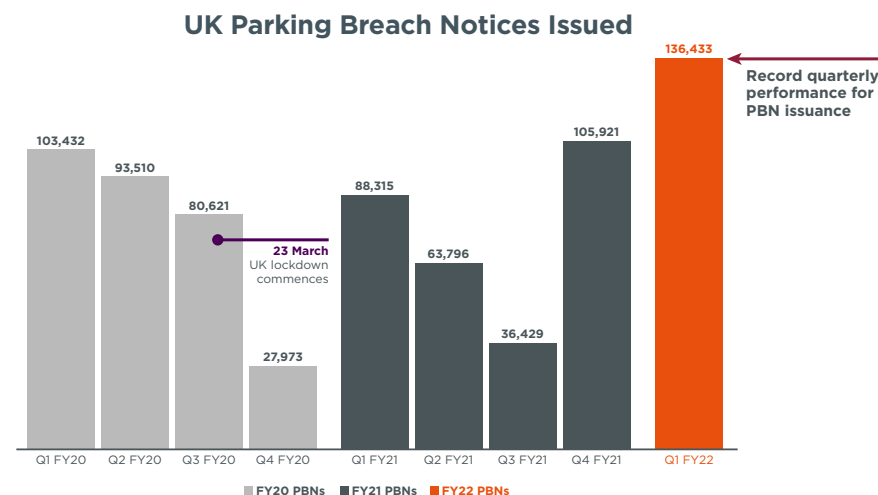
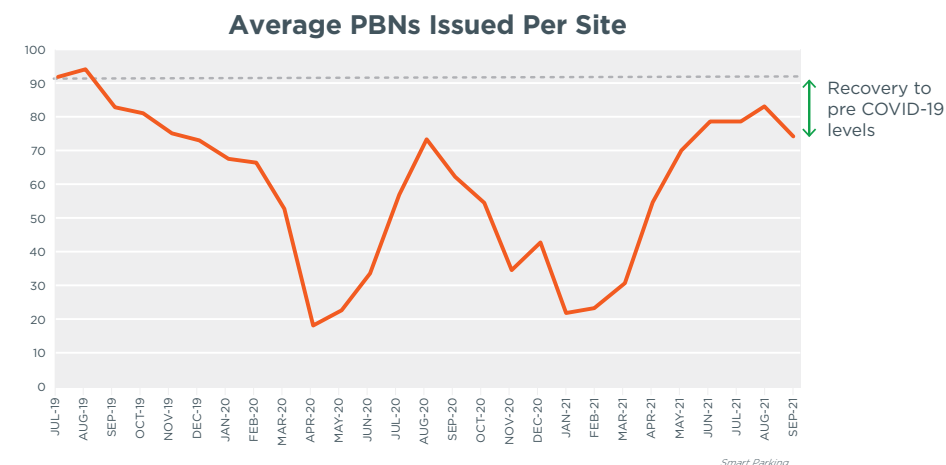
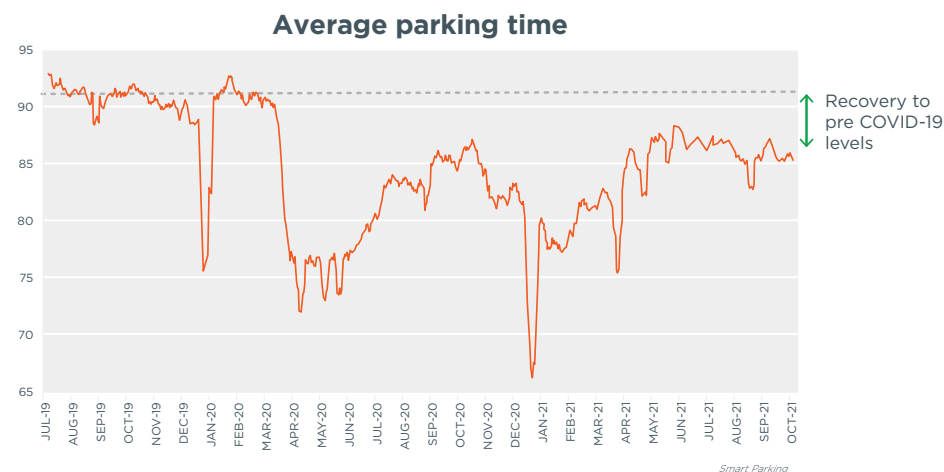
Growth expected from a diversified client mix with a TAM of

45,000

sites across the UK

Multiple growth drivers

| Significant recovery in PBNs, new record level



FY22 growth under way

- PBN growth up 54% on PCP (up 31% on Q1 FY20 pre-COVID)
- Growing vaccination rates across the UK adding to consumer confidence
- Sales team focussed on delivering 180 net new sites in the UK

Enterprise Parking Solutions acquisition

| Building scale in UK parking management

- Acquired Enterprise Parking Solutions (EPS) in August 2021 for \$1.5m funded from cash reserves
- Integration well under way – sites being migrated to SPZ systems and platform, due to be completed by December 2021
- 68 sites under management
- Q1 revenue of \$0.5m, up 196% on PCP
- Acquiring the gross profit with minimal growth in overheads
- Earnings accretive – EV/EBITDA effective multiple of 1.0 to 1.3 based on expected revenues (subject to no future COVID-19 restrictions) and cost synergies

FY22 priorities

- Continued execution of UK growth strategy – 180 net new sites in FY22.
- Grow new territories with ANPR model in countries with appropriate jurisdictional framework – evaluating European opportunities.
- NZ Parking Services business underway with 11 sites under management and a focus to achieve a total of 75 sites by June 2023, at an attractive return on investment.
- Australian Parking Services business underway with 6 sites under management.
- Leverage new technology products into new and existing customers.
- Integration of EPS complete in H1 and successfully leverage new customer relationships for growth.
- Well capitalised to fund further strategic acquisition opportunities in new territories.

** All forward-looking statements can be subject to change depending on COVID-19 restrictions easing or increasing.*

Thank you.

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