

Gentrack

THE SOFTWARE OF
INFRASTRUCTURE_

2015 RESULTS

For the year to 30 September 2015

IMPORTANT NOTICE

This presentation supplements our full year results announcement dated 26 November 2015. It should be read subject to and in conjunction with the additional information in that release, other material that we have released to NZX and ASX, and our Investment Statement and Prospectus dated 26 May 2014. That material is available via the Investor Centre on our website, www.gentrack.com. All references to currency are to New Zealand dollars unless otherwise stated. This presentation contains forward-looking statements and projections. These reflect our current expectations based on what we think are reasonable assumptions but for any number of reasons these assumptions may prove incorrect. We give no warranty or representation as to our future financial performance or any future matter. Except as required by law or NZX or ASX listing rules, we are not obliged to update this presentation after its release, even if things change materially. Some of the financial information in this presentation has not been prepared in accordance with generally accepted accounting practice (“GAAP”). In particular, we show Pro Forma results and EBITDA. If needed, investors should get advice on how our non-GAAP information relates to our GAAP results. This presentation is for information purposes only. It is not an offer of securities, or a proposal or invitation to make any such offer. It is not investment advice or a securities recommendation, and does not take into account any person’s individual circumstances or objectives. Every investor should make an independent assessment of Gentrack on the basis of expert financial advice. Distribution of this presentation (including electronically) may be restricted by law. You should observe all such restrictions which may apply in your jurisdiction. To the maximum extent permitted by law, we will not be liable, whether in tort (including negligence) or otherwise, to you or any other person in relation to this presentation, including any error in it.

THE SOFTWARE OF INFRASTRUCTURE_

- Gentrack's vision is to be a recognised leader in the provision of enterprise application software to electricity, gas and water utilities, and airports
- Our customers already include 51 utility sites and 61 airports, predominantly in NZ, Australia and the UK
- We have developed a successful business model that delivers both growth and profits which we return substantially to our shareholders as dividends.



RESULTS_

- Revenue increase by **9.2%** on FY14 to **\$42.1m**
 - Recurring Fees up by **10.1%** to **\$13.0m**
 - UK revenues up by **44.1%** to **\$7.2m**
 - Airports revenue up by **15.7%** to **\$6.4m**
- EBITDA increased by **10.9%** to **\$14.5m**
- NPATA increased from **\$4.8m** to **\$10.8m**
- NPAT increased from **\$3.4m** to **\$9.4m**

* All presented figures are in NZ\$ unless otherwise noted

* NPAT increased by 176.8% (2014 NPAT was reduced by IPO costs)

HIGHLIGHTS_

- Won billing system for a major water company in the UK
- Won 5 new customers across Australia and the UK
- Commenced 6 upgrade projects — including our largest contract to date
- Successfully took 8 systems into Live operation
- Worked on 22 new implementation and upgrade projects in total

RESULTS_

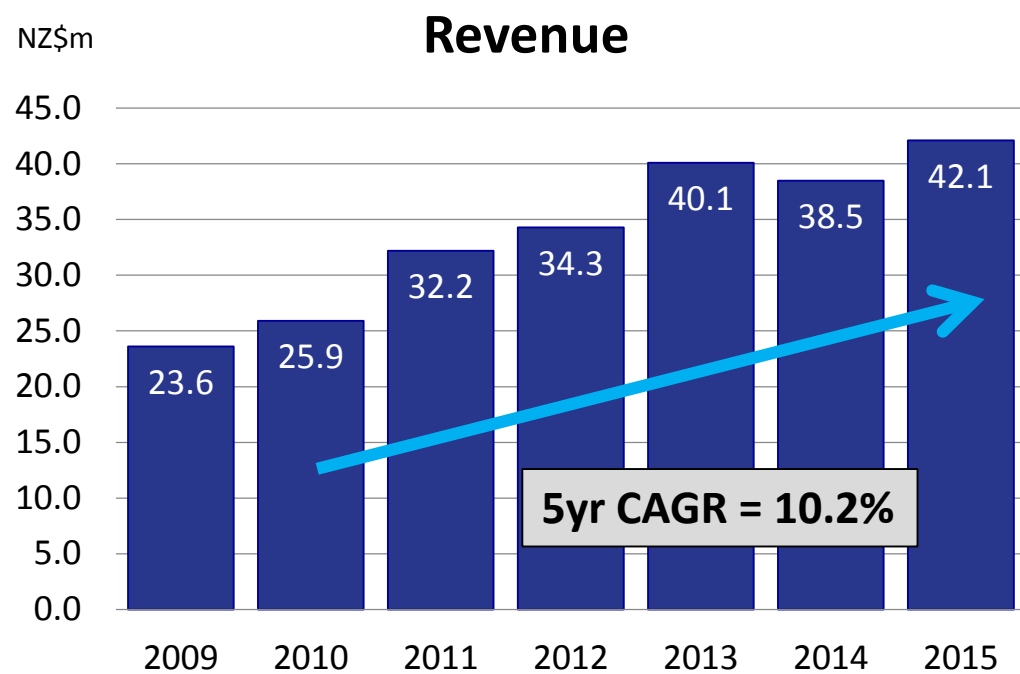
NZ\$000	FY14	FY15	Δ %	PFI
Revenue	38,531	42,069	9.2%	44,695
EBITDA	13,042	14,464	10.9%	15,513
NPATA	4,837	10,822	123.7%	10,807
NPAT	3,383	9,365	176.8%	9,280
Net Cash Balance	5,249	12,372	135.7%	10,744
Final Dividend (cps)	3.60	7.20	100.0%	7.20
Annual Dividend (cps)	NA	11.3	NA	11.3

The final cash dividend of 7.2cps (25% franked, 100% imputed) sets the 2015 annual cash dividend at 11.3cps

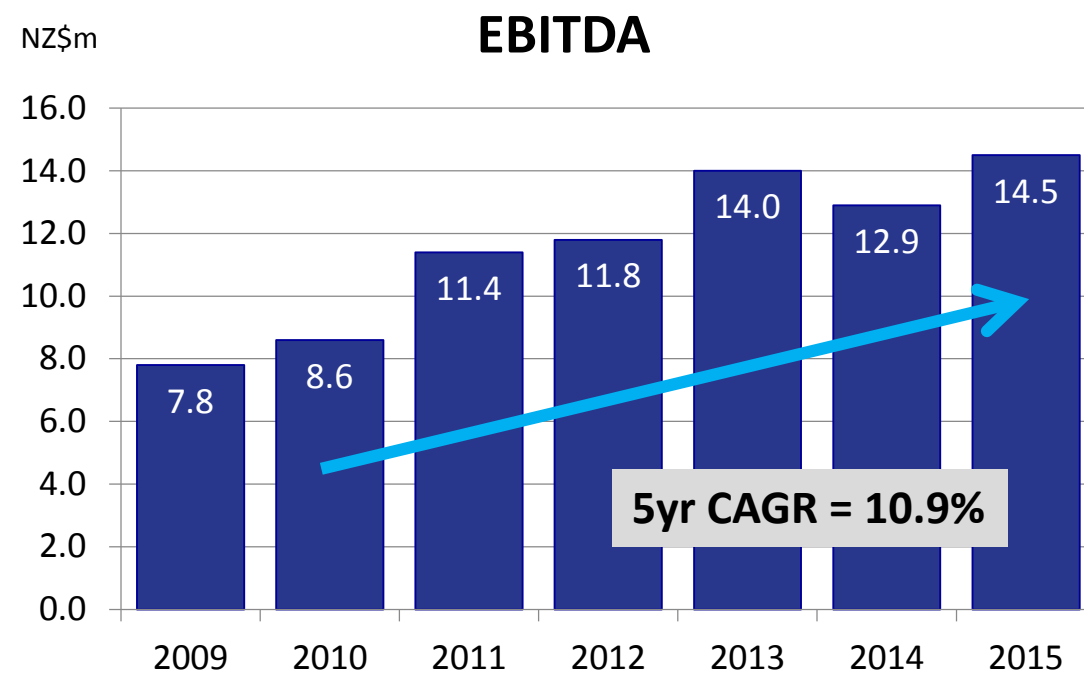
FY15 REVIEW_

- Revenue Growth of 9.2%
- Heavy project workload including our two largest projects to date
- Commenced a second UK water company project in line with our strategy
- Delivered an Australian line/network solution, a significant market for future growth
- Delivered systems to both Sydney and Auckland Airports cementing leadership in the region
- Project delays and delivery challenges saw revenues \$2.6m below prospectus forecast
- Operating expenses increased by 8.3% which is below the revenue growth rate
- FX gains and lower tax costs meant net profit slightly above prospectus forecast

TRACK RECORD



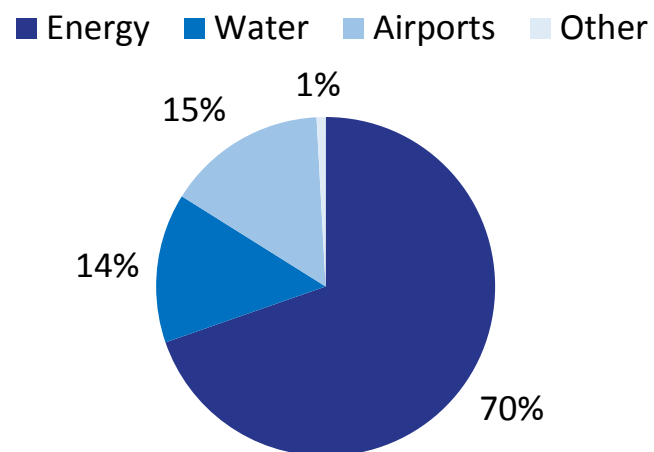
Gentrack's five year revenue CAGR is 10.2%



Gentrack's five year EBITDA CAGR is 10.9%

DIVISIONAL ANALYSIS

Revenue x Sector

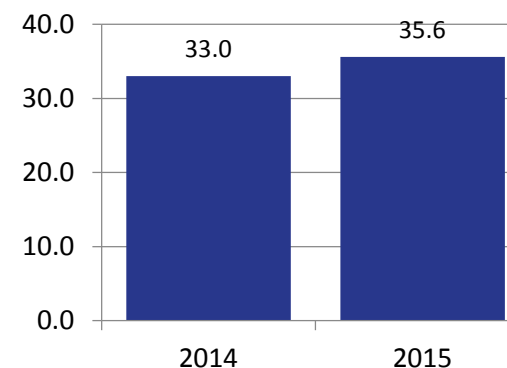


Utility revenue grew by a modest 8.1% as we worked hard to secure and progress two major utility contracts which are delivered over FY15 and FY16

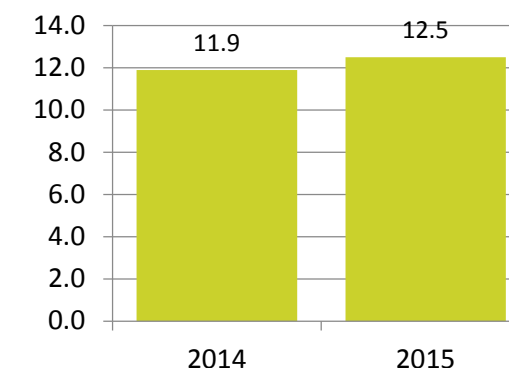
Airports had a strong year growing revenues by 15.7% and exceeding \$2.0m EBITDA for the first time

Utilities

Revenue NZ\$m

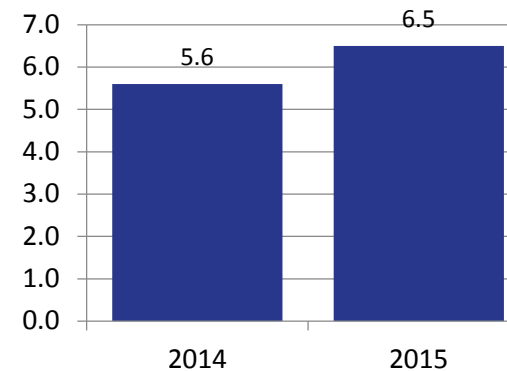


EBITDA NZ\$m

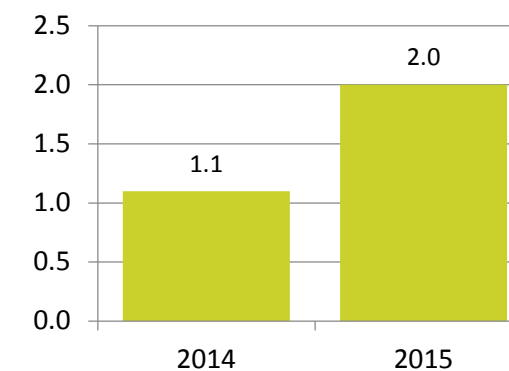


Airports

Revenue NZ\$m

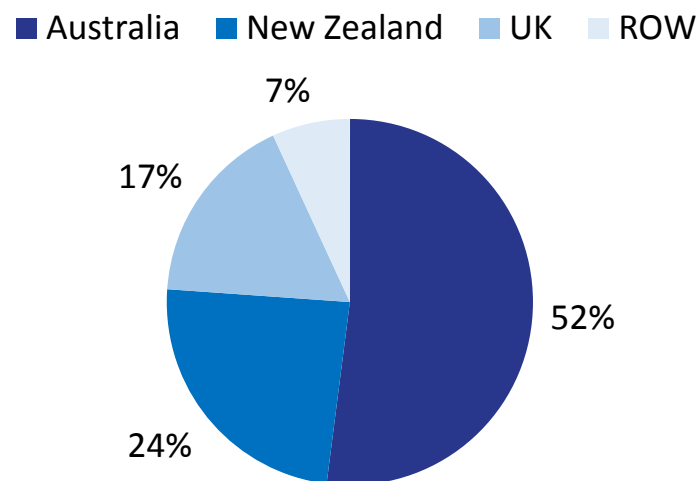


EBITDA NZ\$m



GEOGRAPHIC ANALYSIS_

Revenue x Region



New Zealand revenues were flat in Gentrack's mature home market

Australian revenues include contributions from two large upgrade projects

Strong continued UK revenue growth of 44% in FY15 in Utility and Airports

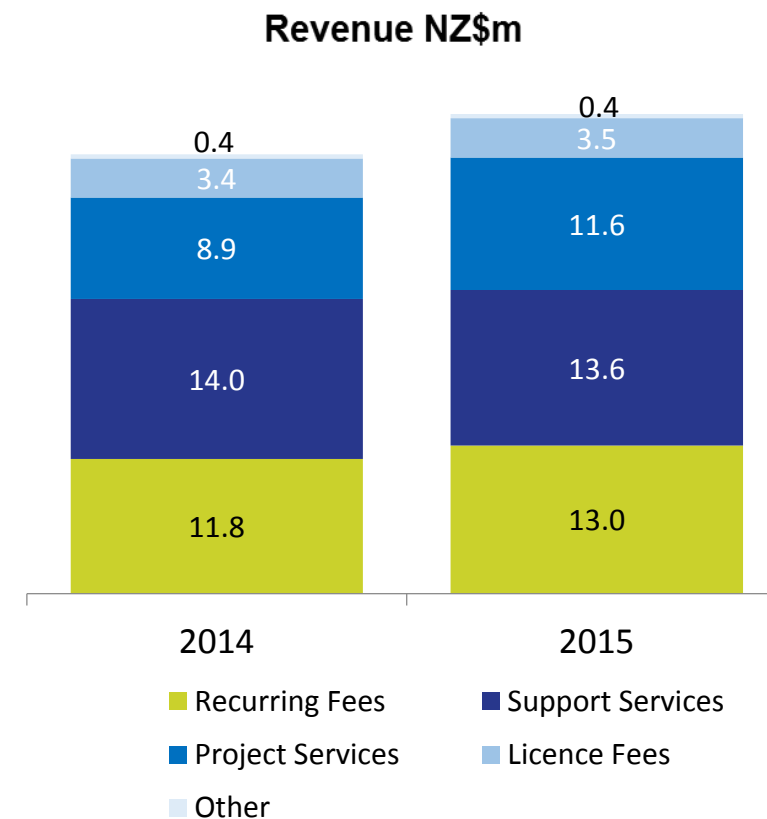
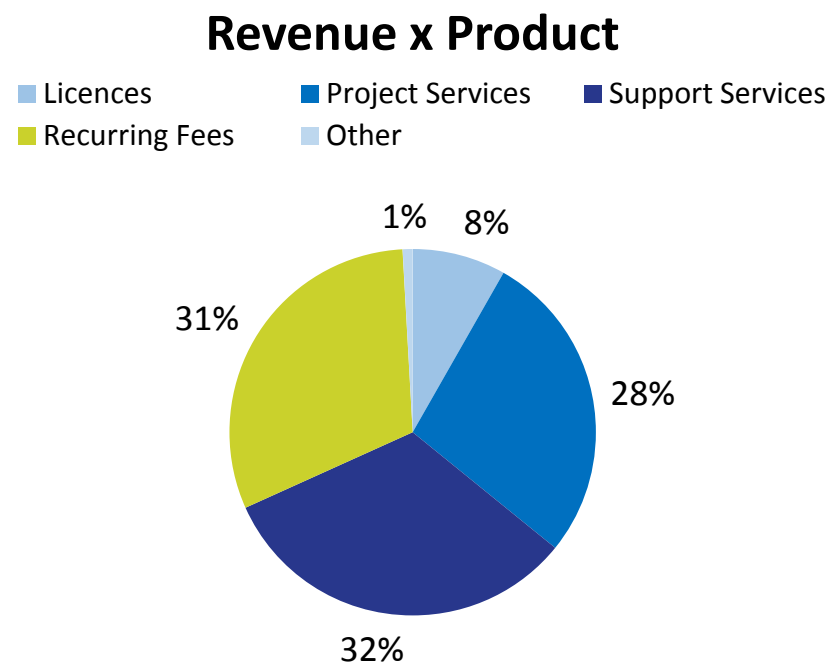
Rest of World income benefited from a software licence sale to an existing customer in Asia

Revenue NZ\$m



Australia and the UK continue to be the focus for Gentrack's growth

PRODUCT ANALYSIS_



Recurring Fees grew by 10.1% and continues to provide a solid income base

Services income reflected the strong project cycle with Project Service Fees growing by 30.2%

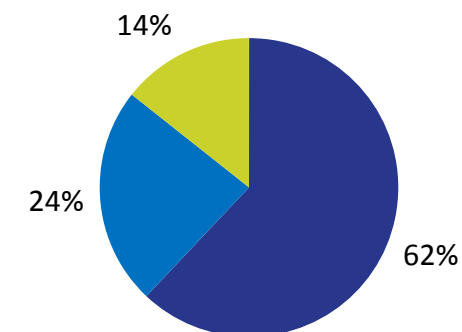
OPERATING EXPENSES_

Costs in NZ\$m	FY14	FY15	Δ %
Personnel	19.9	21.9	10.1%
Administration & Occupancy	2.3	2.4	4.3%
Marketing	0.8	0.7	-12.5%
Other	2.5	2.6	4.0%
TOTAL COSTS	25.5	27.6	8.2%
R&D (included in above)	2.2	1.9	-13.6%

Staff	FY14	FY15	Δ %
Average Staff Number	184	199	+8.2%
September Headcount	192	216	+12.5%

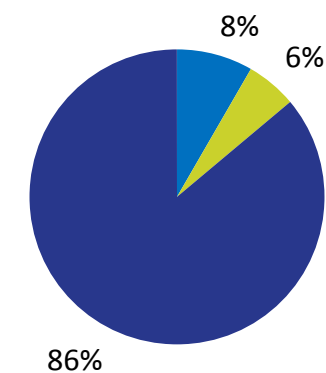
Staff x Region

■ New Zealand ■ Australia ■ United Kingdom



Staff x Role

■ Admin ■ Sales ■ Technical



OUTLOOK_

- Continuing demand from new customers and upgrades of existing customers exceeds current delivery capacity
- A strong order book from projects is underway
- We expect revenue growth for FY16 in line with historic average of 10%
- We are investing significantly in additional resources and systems to meet the market demand which will impact EBITDA margin in FY16
- We reiterate that timing and delivery of large projects can impact our results
- Guidance on FY16 revenue and profits will be provided at our Annual Meeting in February.

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APPENDIX_

INCOME STATEMENT_

	FY15 Actual Statutory NZ\$'000	FY15 Prospectus Statutory NZ\$'000	FY14 Actual Statutory NZ\$'000
Revenue	42,069	44,695	38,531
Expenditure	(27,605)	(29,182)	(25,489)
EBITDA (underlying)	14,464	15,513	13,042
% of revenue	34%	35%	34%
Depreciation and amortisation	(2,302)	(2,403)	(2,251)
Non-operating costs – Listing costs	-	-	(3,865)
Net finance income/(expense)	808	(6)	(910)
Income tax expense	(3,605)	(3,824)	(2,633)
Net Profit after Tax	9,365	9,280	3,383

The financial tables provide high level summary information only and contain non-GAAP measures such as EBITDA. For the complete financial information of Gentrack refer to the published 2015 Financial Statements

BALANCE SHEET_

	FY15 Actual Statutory \$'000	FY15 Prospectus Statutory \$'000	FY14 Actual Statutory \$'000
Cash	12,372	10,744	5,249
Receivables	10,522	10,792	10,567
Property, Plant and Equipment	671	818	565
Intangibles	58,493	58,809	60,510
Total assets	82,058	81,163	76,891
Payables and accruals	3,149	3,035	2,484
Deferred revenues	5,592	3,989	4,293
Employee entitlements	1,991	2,222	1,603
Borrowings	-	79	6
Net deferred tax liability ¹	1,822	1,893	2,809
Total liabilities	12,554	11,218	11,195
Net assets	69,504	69,945	65,696
Ordinary share capital	60,396	60,601	60,396
Retained earnings	8,946	9,256	5,179
Reserves	162	88	121
Equity	69,504	69,945	65,696

¹ Shown as net of deferred tax asset

CASH FLOW STATEMENT

	FY15 Actual Statutory \$'000	FY15 Prospectus Statutory \$'000	FY14 Actual Statutory \$'000
Cash from Operating Activities			
Receipts from customers	44,753	44,837	40,071
Payments to suppliers and employees	(27,716)	(28,808)	(25,365)
Cash generated from operations	17,037	16,029	14,706
Non-operating costs – Listing costs	-	-	(3,865)
Income tax paid	(3,813)	(4,240)	(4,467)
Net cash flows from operating activities	13,224	11,789	6,374
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(391)	(434)	(110)
Increase in other intangibles	-	(341)	-
Net cash flows from investing activities	(391)	(776)	(110)
Cash Flows from Financing Activities			
Proceeds from issue of share capital	-	-	36,000
Costs in relation to issue of share capital	-	-	(915)
Net repayment of debt	(6)	(31)	(28,610)
Dividends paid	(5,598)	(5,563)	(6,155)
Net interest paid	138	(6)	(1,396)
Net cash flows from financing activities	(5,466)	(5,600)	(1,076)
Net increase/(decrease) in cash	7,367	5,413	5,188

GAAP TO NON-GAAP PROFIT RECONCILIATION_

\$'000	FY15 Actual	FY15 Prospective	FY14 Actual
NPATA, EBITDA AND UNDERLYING EBITDA			
Reported net profit for the period (GAAP)	9,365	9,280	3,383
Add back: amortisation ¹	2,017	2,087	2,014
Add back: tax adjustment for amortisation ²	(560)	(560)	(560)
NPATA	10,822	10,807	4,837
Add back: net finance (income)/expense ¹	(808)	6	910
Add back: income tax expense ¹ less tax adjustment above	4,165	4,384	3,193
Add back: depreciation ¹	285	316	237
EBITDA	14,464	15,513	9,177
Adjusted for:			
Non-operating costs – Listing costs ¹	-	-	3,865
Underlying EBITDA (Statutory)	14,464	15,513	13,042
Ongoing listing costs adjustment ²	-	-	(132)
Underlying EBITDA (Pro-forma)	14,464	15,513	12,910

¹ Extracted from audited financial statements.

² Extracted from Prospectus dated 26 May 2014.

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

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