

Smart Parking Limited (ASX:SPZ)

# FY24 Results

26 August 2024  
CEO Paul Gillespie

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

ersonal use only


# FY24 Highlights

Revenue of \$54.3<sup>1</sup>m up

21% 

\* Compared to PCP

Adjusted EBITDA  
\$14.7m<sup>2</sup> up


28%<sup>2</sup> 

\* Compared to PCP

Adjusted EBITDA  
margin of 27% up 

150bps

\* Compared to PCP

1,424 Total  
sites  
up 28% 

\* As at 30 June 2024 compared to PCP

Adjusted free cash  
flow of \$12.2m<sup>3</sup> up

40% 

\* Compared to PCP

Cash of  
\$7.2m

\* As at 30 June 2024

<sup>1</sup> Excludes \$0.1m of revenue from Denmark and interest income of \$0.2m

<sup>2</sup> Excludes \$0.6m investment in new Denmark market, \$0.2m investigating new territories and other non-operating/non-recurring items

<sup>3</sup> Excludes Denmark investment and exceptional costs



## CEO Observations

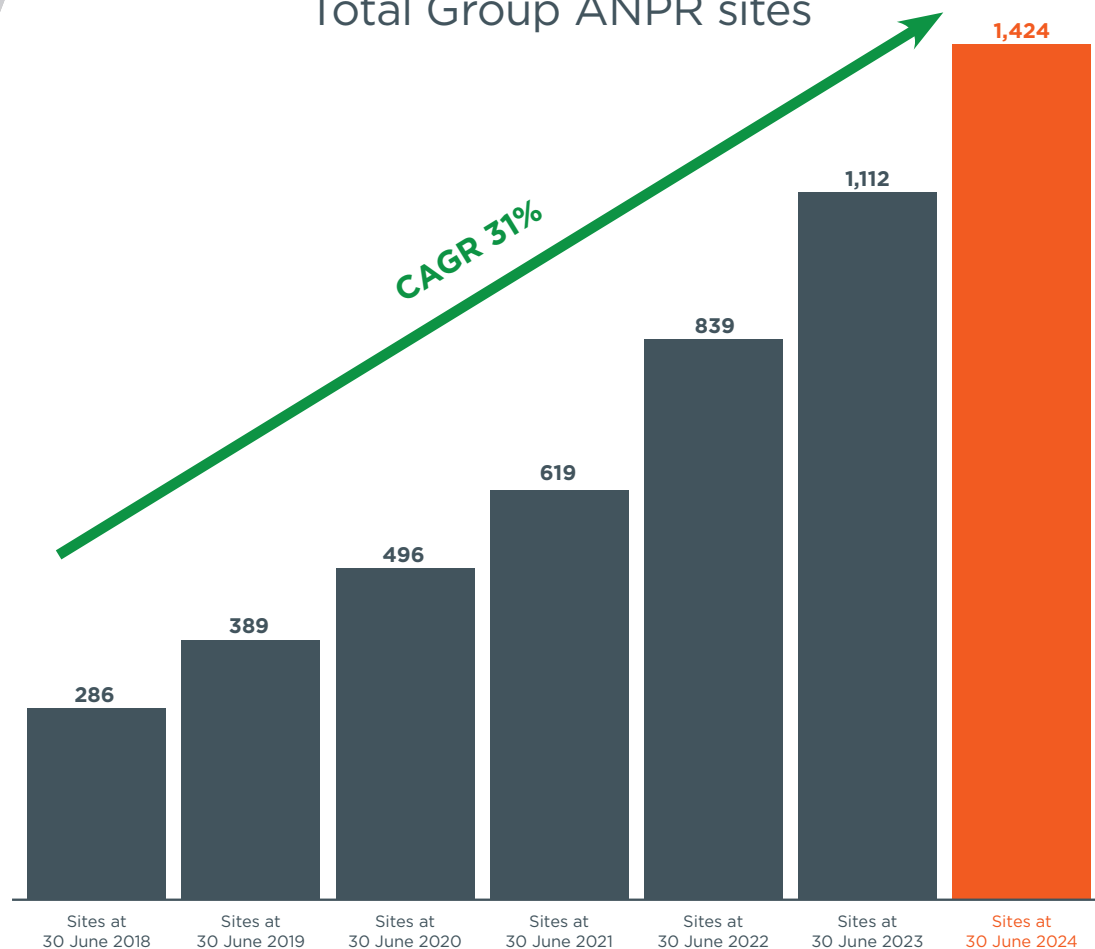
- Disciplined execution of strategy delivers continued growth
- 21% revenue growth, 27% adjusted EBITDA margin
- Adjusted free cashflow up 40%<sup>1</sup>
- Strong organic growth in the UK, NZ and Germany complemented by 2 acquisitions (Germany & UK)
- Building scale in new territories, Denmark operations commenced January 2024
- July 2024 revenue of \$5.5m up 34% on PCP, a record month
- Ongoing research in new markets including Europe and USA
- Balance sheet capacity to self-fund ongoing organic growth, and complementary acquisitions

<sup>1</sup> excludes non-operating/non-recurring items and Denmark investment

## Record FY24 results

Delivering Record results |

Total Group ANPR sites



# Growth strategy - FY24

| Leveraging core technology and capability in new territories



UK



NZ



Australia (QLD)<sup>1</sup>



Germany



NEW

Denmark

GROWTH IN  
ANPR SITES

1,124 total sites  
21% up on PCP

162 total sites  
93% up on PCP

71 total sites  
0% up on PCP

67 total sites  
148% up on PCP

GROWTH  
IN PBNs

14% up on PCP

70% up on PCP

89% down on PCP

477% up on PCP

REVENUE  
(\$000s)

43,985  
21% up on PCP

4,572  
56% up on PCP

70  
95% down on PCP

2,790  
519% up on PCP

TAM

45,000 sites

3,000 sites

2,000 sites

90,000 sites

10,000 sites

- Business established in January 2024
- Sales team and operations structure in place
- First 11 contracts secured and revenue being generated

<sup>1</sup> Technology enforcement currently paused

# FY24 business update

| Record results, expanding market opportunities to accelerate growth.

## FINANCIAL

- **Record results** – Revenue \$54.3<sup>1</sup>m and Adjusted EBITDA \$14.7m<sup>2</sup>. **Adjusted EBITDA margin of 27%**<sup>2</sup>.
- Strong FY24 with contributions from all regions with revenue growth compared to PCP of: UK: 21%, NZ: 56%, Germany: 519%
- Record free cashflow of **\$12.2m up 40%** on PCP.
- **Cash of \$7.2m** after spending \$7.7m on 2 acquisitions, \$4.2m on investment in organic expansion and \$1m on repayment of borrowings.
- Advanced negotiations to establish debt facilities to fund international expansion and complementary M&A.

## EXPANSION

- Completed 2 new acquisitions in Germany and UK whilst expanding into the new territory of Denmark.
- **1,424 total group ANPR sites** under management as at 30 June 2024, up 28% on PCP.
- **Focused on accelerated commercial growth** in Germany and New Zealand, with key enterprise contract wins as sales team gains traction.
- Continuing to scale the core business in the UK with a broad base of new business wins.
- Denmark Parking Services business established in January 2024 and generating revenues, first 11 contracts signed and 5 sites installed and generating PBN revenue.

## OUTLOOK

- **Positive outlook for further profitable growth in FY25** - on track to exceed 1,500 sites under management ahead of December 2024 target date.
- **Continuous and disciplined execution of site expansion** plans in large addressable markets.
- Ongoing portfolio optimisation to increase yields.
- Continuing to leverage proprietary market leading technology and deep domain expertise to facilitate industry change away from archaic and legacy systems.
- **Integration of Local Parking Security**, recent UK acquisition.
- Scope for further accretive acquisitions across all territories with conversion opportunities to SPZ platform.
- Cash to fund growth, technology investments and complementary acquisition opportunities.

<sup>1</sup> Excludes \$0.1m of revenue from Denmark and interest income of \$0.2m

<sup>2</sup> Excludes \$0.6m investment in new Denmark market, \$0.2m investigating new territories and other non-operating/non-recurring items



# FY24 Financial Update



# FY24 business update

| Balancing growth and investments.

\$m's	FY24	FY23	FY24 vs FY23
<b>Revenue (excluding interest revenue)</b>	<b>54.3</b>	45.1	21%
Cost of Sales	(16.8)	(13.9)	(21%)
Gross Profit	<b>37.5</b>	31.2	20%
Overheads	(22.8)	(19.7)	(16%)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>14.7</b>	11.5	28%
Foreign exchange gains/(losses)	(0.2)	1.2	(121%)
Other Non-operating/Non-recurring items	(0.7)	(0.5)	(33%)
Denmark and new territory investigation	(0.8)	-	-
EBITDA	<b>13.0</b>	12.1	7%
Depreciation and amortisation	(7.0)	(5.4)	(30%)
Loss on sale of assets	(0.1)	-	-
EBIT	<b>5.9</b>	6.7	(12%)
Net Interest	(0.3)	(0.5)	30%
Net Profit	<b>5.6</b>	6.2	(10%)
Tax expense	(1.9)	0.2	(1,089%)
<b>Net Profit after tax</b>	<b>3.7</b>	<b>6.4</b>	<b>(42%)</b>
Gross Margin %	69.0%	69.1%	
Overheads/Revenue %	42.0%	43.7%	
Adjusted EBITDA Margin %	27.0%	25.5%	
<b>Basic EPS (cents per share)</b>	<b>1.06</b>	<b>1.82</b>	

<sup>1</sup> The balances are adjusted for amounts that are not related to underlying operations or not expected to occur in the future as well as Denmark and new territory investigation

Revenue increased 21% due to the expansion of sites under management by 28%, demonstrating revenue growth in all territories except Queensland

Overheads are up 16% compared to FY23 with a review of resourcing requirements following increased activity, expansion into new territories and acquisitions.

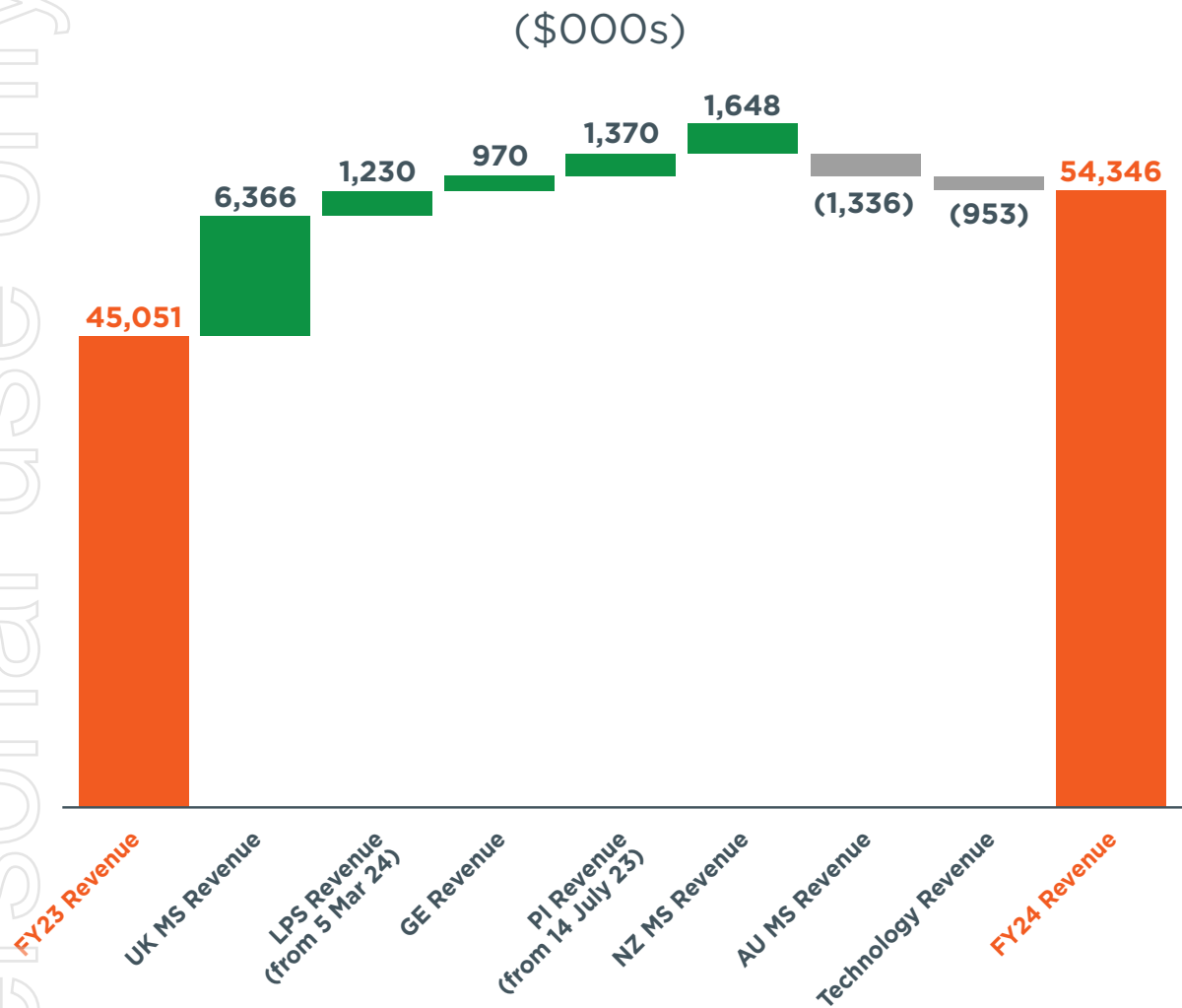
Adjusted EBITDA of \$14.7m is up 28% on FY23. Includes some benefit from favourable foreign exchange movements.

NPAT of \$3.7m includes the EBITDA adjustments detailed above, a \$1.6m increase in depreciation and amortisation related to growth in the number of sites under management, new leases and amortisation related to new business acquisitions and an increase in the tax expense following the benefit of Group tax losses for UK companies being consumed in FY23.



# Revenue growth

| Revenue up 21% from increased sites under management and expansion into new territories



UK parking management revenue growth of 21% compared to FY23.

German Parking Management revenue (excl. PI acquisition) of \$1.4m up 215% on PCP (FY23: \$0.5m).

Revenue includes \$2.6m from acquisitions including ParkInnovation (acquired July 2023) and Local Parking Security (acquired March 2024).

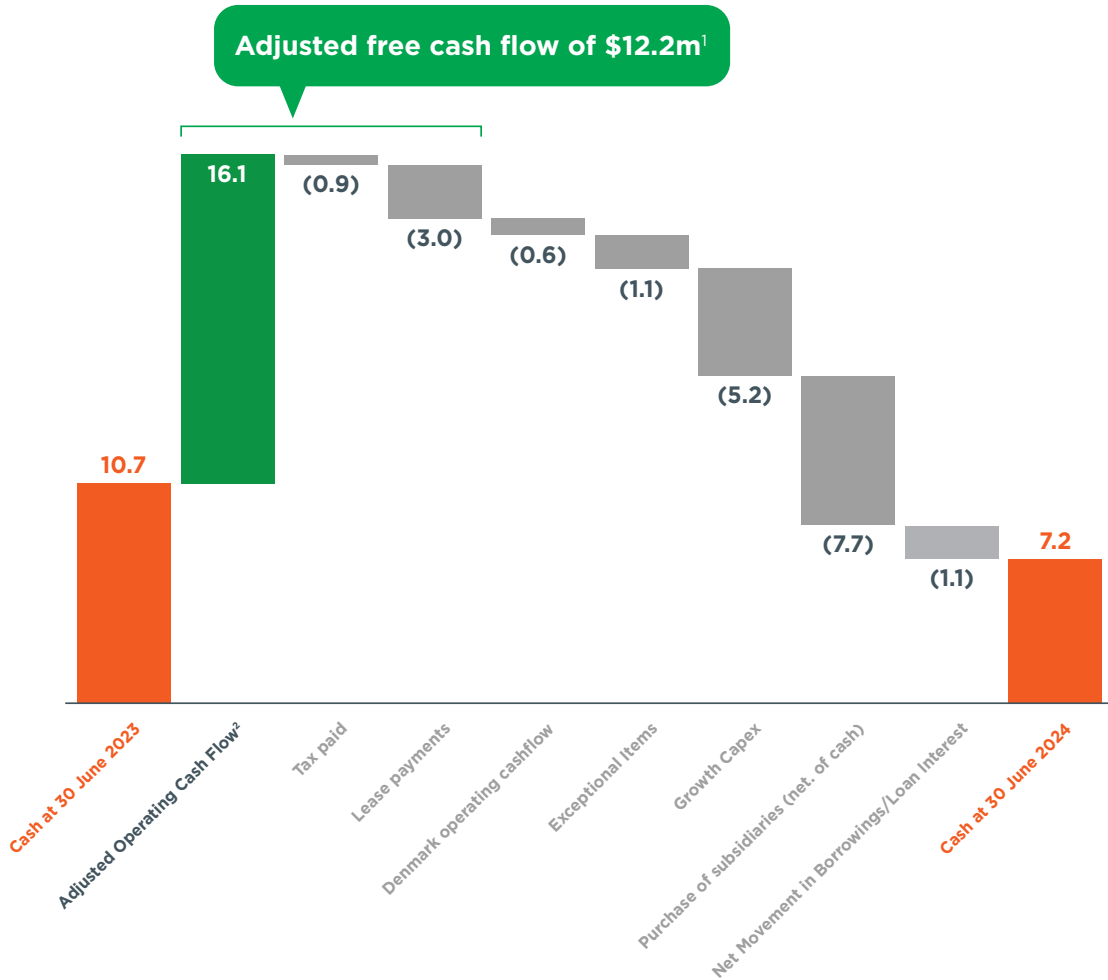
**July 2024 revenue is \$5.5m up 34% on PCP. This is a record month and does not include benefit of new sites to be installed in FY25.**



# Positive free cash flow

| \$7.2m cash to fund growth strategy and shareholder returns

Cash Flow Waterfall (\$m)



1 Excludes Denmark and Exceptional items to enable like for like comparison with PCP. CAPEX isn't included in free cashflow as relates to future growth.  
2 Excludes tax paid, exceptional items and Denmark cashflow as shown separately.

Cash on hand of \$7.2m as at 30 June 2024.

Adjusted free cashflow of \$12.2m up 40% on PCP.

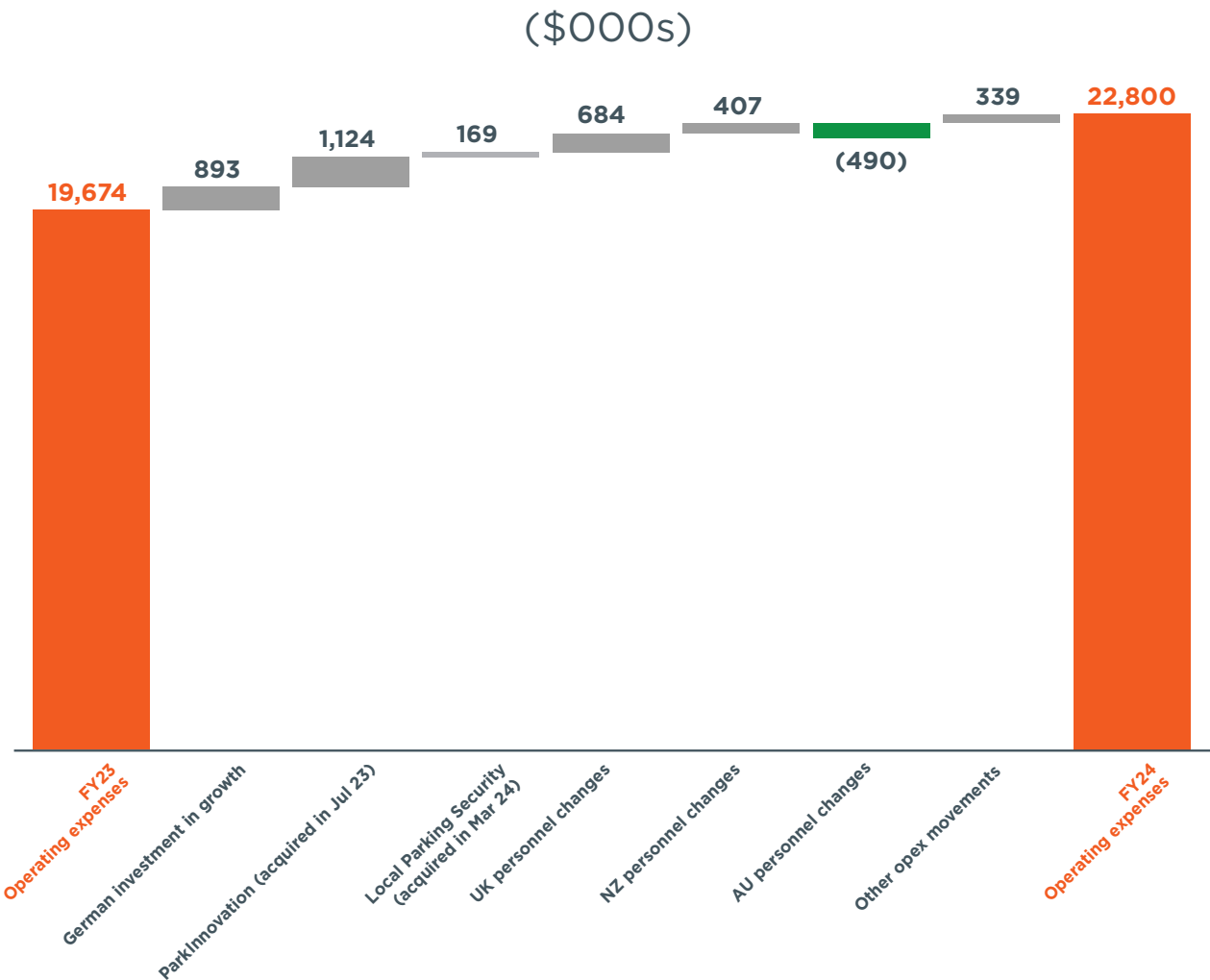
Minimal maintenance CAPEX required - capital light business model.

Sources of cash	m's
Free cashflow	12.2
Uses of cash	
New territory expansion (Denmark)	(0.6)
Growth capex (organic growth)	(5.2)
Acquisitions (Germany & UK)	(7.7)
Debt repayment	(1.1)
Other non operating/non recurring items	(1.1)
	(15.7)
Net movement in cash	(3.5)
Opening cash	10.7
Closing cash	7.2

ersonal use only

# Operating expense analysis

| Increased costs reflect scaling territories for growth and acquisition of ParkInnovation



Overheads includes \$1.3m from businesses acquired during the year

\$0.5m reduction in personnel costs in Australia related to the pause in Queensland operations.

UK personnel costs up 11% on FY23. UK minimum wage increased 9.7% in April 2023, and 9.8% in April 2024.

# Strong balance sheet to fund growth strategy

Group Financial Position (\$m)

\$m	Jun-24	Jun-23
Current assets	24.7	25.8
Non-current assets	32.9	30.2
<b>Total assets</b>	<b>57.6</b>	56.0
Current liabilities	20.3	16.7
Non-current liabilities	9.4	15.6
<b>Total equity</b>	<b>27.9</b>	23.7
<b>Cash &amp; cash equivalents</b>	<b>7.2</b>	10.7

---

\$7.2m of cash – capital to fund growth strategies.

---

The Company is debt free in August 2024 following the final payment of the UK Coronavirus Business Interruption Loan.

---

Advanced negotiations to establish debt facilities to fund international expansion and complementary M&A.

---

In FY24 the Company acquired ParkInnovation (July 2023), a German parking management business, for \$2m and Local Parking Security (March 2024), a UK parking management business, for \$5.7m.

---



# FY24 Business Update



# Growth strategy – multiple drivers

| Three key pillars for growth

## Organic growth



Growth in sites = growth in PBNs =  
**revenue & profitability**

### High incremental margin

leveraging existing fixed  
cost base

### Existing and New markets:



TAM 45,000 SITES



TAM 3,000 SITES



TAM 2,000 SITES



TAM 90,000 SITES



TAM 10,000 SITES



# 1,500

**ANPR site target by Dec 2024**

Strong growth in the UK with  
contributions from new territories  
supports accelerated site target.

## New territories



Investigating and evaluating  
**new market territories**

Low cost

## expansion strategy

Focused on territories with  
appropriate regulatory  
environment where SPZ can  
**leverage IP and market  
leading technology**

## Acquisitions



**Good pipeline**  
of opportunities

Adding scale where SPZ have  
successful operations and  
market intelligence

**Disciplined selection criteria:**  
Strategic fit, technology and  
earnings accretion

Ability to leverage technology  
and deep domain expertise to  
**deliver synergies**

**Proven track record**  
with successful integrations



# Entering the next growth stage - additional new territories

| Disciplined acquisition track record - complements strong organic growth

2021



**March**

Successfully launched a technology driven Parking Management business in New Zealand



**July**

Successfully launched a technology driven Parking Management business in Queensland, Australia



**August**

Completed the acquisition of Enterprise Parking Solutions which has been successfully integrated into the Group

2022



**January**

Successfully launched a technology driven Parking Management business in Germany



**April**

Completed the acquisition of NE Parking and are working with customers to upgrade suitable sites from manual operations to a technology led solution

2024



**February**

Successfully launched a technology driven Parking Management business in Denmark



**March**

Completed the acquisition of the assets in Local Parking Security working to upgrade suitable sites in the UK from manual operations to a technology led solution



**July**

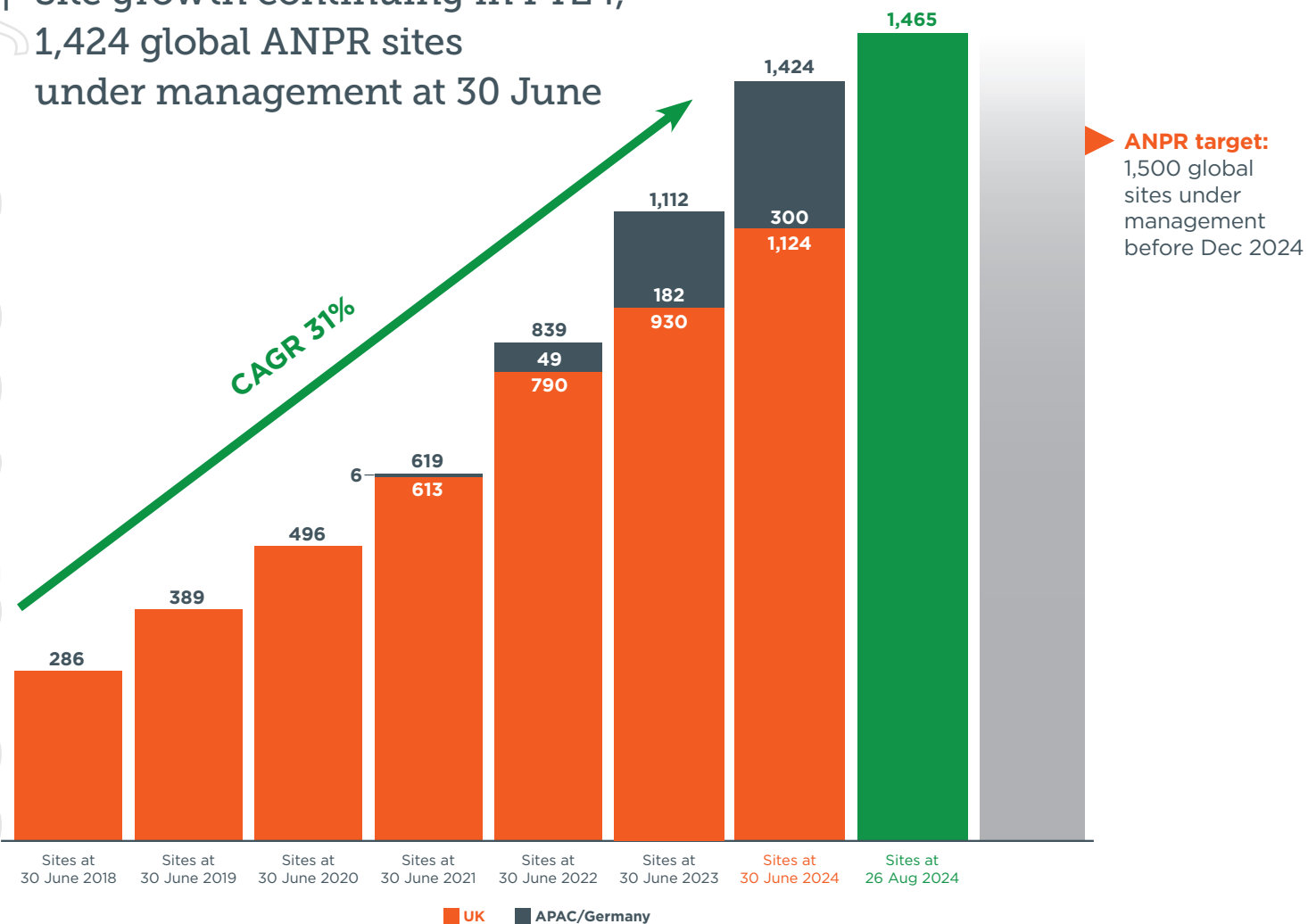
Completed the acquisition of ParkInnovation and working to upgrade suitable sites in Germany from manual operations to a technology led solution

2023



# Site roll-out progressing, with December growth target in reach

| Site growth continuing in FY24,  
1,424 global ANPR sites  
under management at 30 June



1,500 ANPR site target - will be delivered before December.

302 new ANPR sites added in FY24, total 1,424 at 30 June 2024.

Added 68 ANPR sites from the LPS acquisition in March 2024.

Invested in upgraded sales and technology capability to support future revenue growth ambitions.

Enhanced technology customer value proposition enables sales performance in all business units outside Australia.

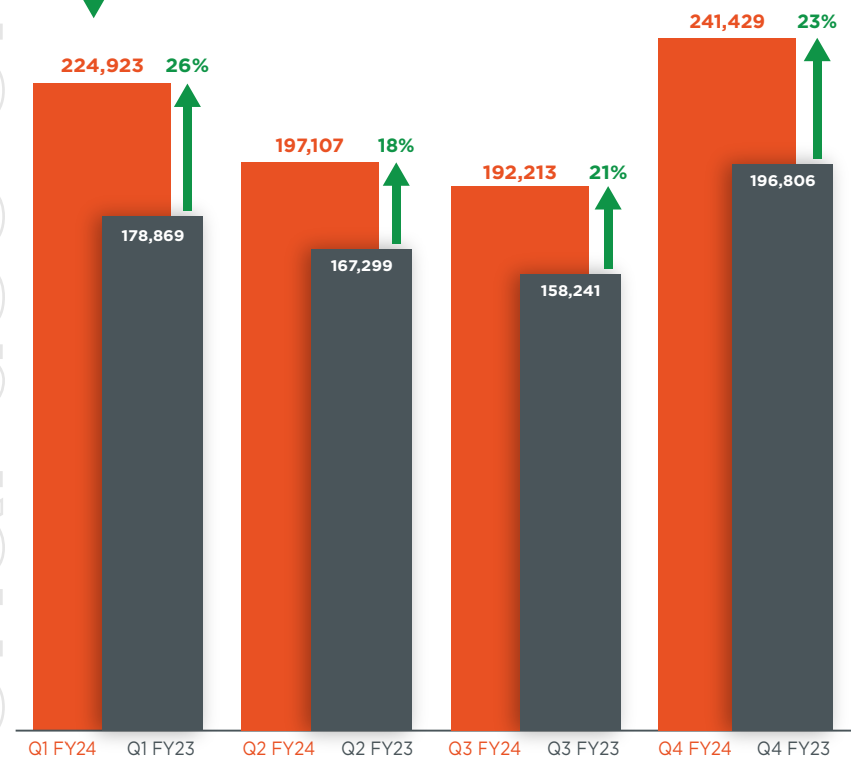
Continue to leverage technology and deep expertise into new markets.

# Strong growth underway

| FY24 record PBNs issued, up 22% vs PCP

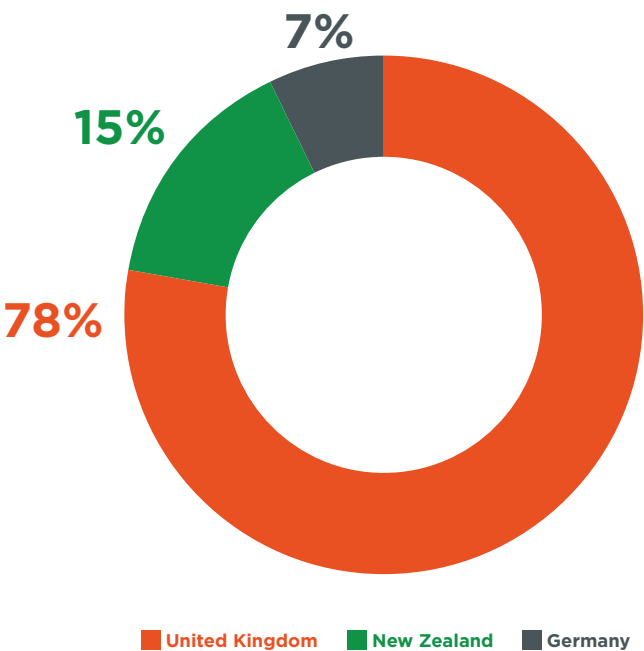
Parking Breach Notices Issued

FY24 Average Quarterly PBNs 213,918 (up 22% on FY23)



Reduction in PBNs in Q2 and Q3 is in line with normal seasonal variations.

FY24 PBN's Issued % by Country



## FY24 growth delivered

PBN growth up 22% on PCP.

Continuing to expand and enhance sales and account management capability to capture market share across all operating territories.

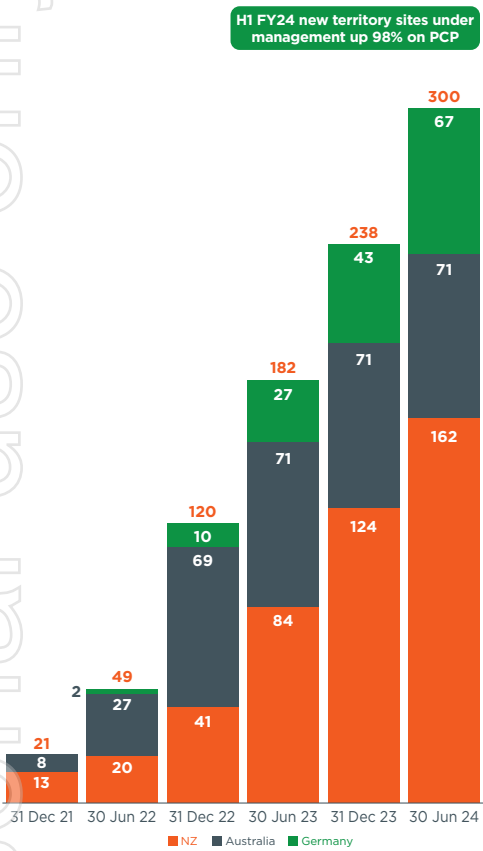
In FY19 the UK generated 100% of the Groups PBN's. In FY24 this has reduced to 78% as the group continues to diversify and expand into new markets.

The Group expanded into NZ (Mar 2021), Queensland (Jul 2021, operations currently paused), Germany (Jan 2022) and Denmark (Feb 2024).

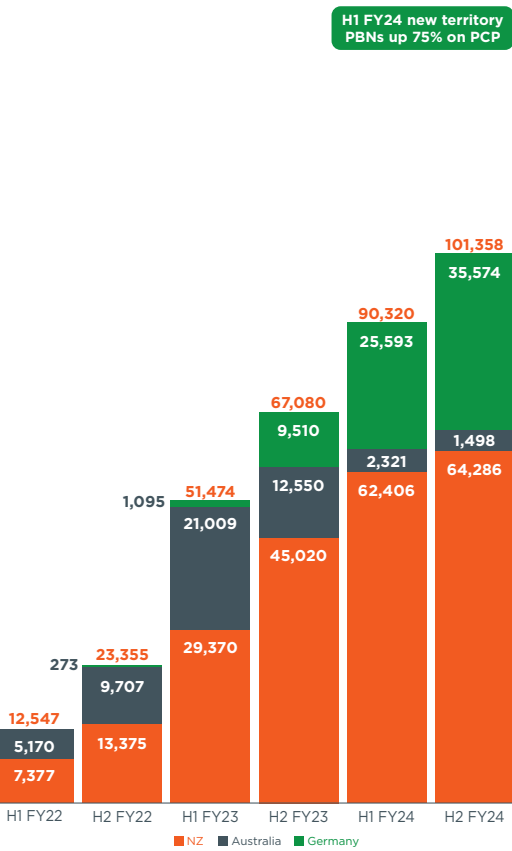
# New territory growth underway

| Successfully scaling new territories

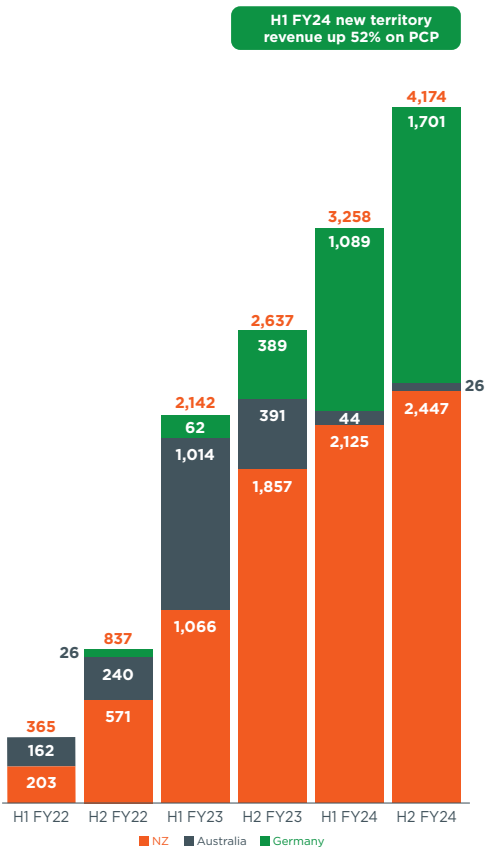
Sites



Parking Breach Notices Issued



Revenue (000s)



**NZ:**

NZ continues to show strong growth with 93% increase in sites under management.

Attractive market with limited competition and significant potential for growth.

**Germany:**

Germany continues to show strong growth with revenue up 519%.

Germany is the largest market SPZ currently operate in with a TAM of 90,000 sites.

**Denmark:**

It has a good regulatory structure.

Is early in the adoption of ANPR technology for parking management.

Highly attractive commercial operating environment.

Large addressable market adding 10,000 potential sites to the SPZ TAM taking us to over 150,000 sites.

**Australia:**

ANPR operations in Queensland remain on hold while the government consult on the operation of private car parks.



## New territory - Denmark



- Through research we identified Denmark as a market where SPZ can leverage our market leading technology and deep industry knowledge
- SPZ established its Danish business in Jan of 2024 with the Managing Director starting on 1 Feb
- The SPZ technology has been utilised to access the Transport Authority (TA) Database via an API and is now operational in processing number plate data
- Through the accreditation we have with the TA we can send PBN's through the TA portal direct to the driver, this facilitates faster payments
- Since February the team has signed 11 contracts with 5 sites now live and operating
- With the sales team in place, technology live and operations team executing, we have a solid pipeline and bright future in Denmark



# Regulatory update

## UK regulatory update

Positive dialogue ongoing with the new Ministers and department responsible for parking

From July 1 the British Parking Association (BPA) and the International Parking Community (IPC) have come together to provide a Single Code of Practice – this is designed to raise standards and bring both industry associations into line

New Code of Practice has been received well by the Department and also attracted significant positive media

## Queensland regulatory update

Round table meeting with the Minister, Transport & Main Roads department and the industry attended by SPZ on June 26

The department committed to a draft code of practice, based on the UK code, to be reviewed by the Minister in September

SPZ is committed to working with the Queensland Government and TMR to support the implementation of the code as soon as possible



# FY25 priorities

Strong start to FY25, year has commenced with positive growth

01

SPZ is growing strongly, is profitable and cash flow positive, with progress towards and beyond the 1,500 site target.

02

FY25 will be another year of profitable growth and positive free cash flow, with continued expansion to build scale in key markets.

03

Expanding into large addressable markets with proprietary technology, excellent market knowledge and sound industry expertise.

04

\$7.2m of cash on hand to fund organic expansion, growth and disciplined acquisitions.

05

Continued focus on international expansion and complementary M&A strategy.



Smart Parking Limited (ASX:SPZ)

# Q&A

smartparking.com

ersonal use only



# Supplementary Information



# Smart Parking Ltd (ASX:SPZ)

A global company focused on delivering industry leading technology innovations and solutions within the parking industry

## Parking management services

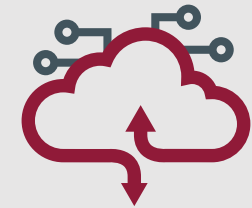
Provision of parking management solutions, predominantly servicing the retail sector, managing agents and land owners across multiple territories. SPZ operates in the UK, New Zealand, Australia and Germany. SPZ has recently launched in Denmark and is focused on expanding into new regions around the globe.

## Technology

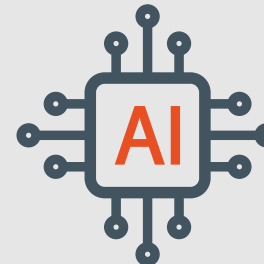
Proprietary technology to facilitate the growth of parking management services. Competitive advantage - SmartCloud allows successful plate matching with infringement business rules, mapping the full life cycle of a breach notice from issuance to payment or collection.



OVER 13 MILLION CARS PER MONTH THROUGH THE ESTATE



OVER 31m SMARTCLOUD TRANSACTIONS PER DAY



UTILISING AI TECHNOLOGY TO IMPROVE PLATE RECOGNITION



OVER 1000 CUSTOMERS WORLDWIDE



SALES AND OPERATIONS IN UK, GERMANY, NZ, AUSTRALIA & DENMARK

## Segment reporting

(\$000's)	Revenue			Adjusted EBITDA			Adjusted EBITDA Margin	
	FY23	FY24	FY23 vs FY24	FY23	FY24	FY23 vs FY24	FY23	FY24
Parking Management	41,170	<b>51,526</b>	<b>25.2%</b>	11,410	<b>12,303</b>	7.8%	27.7%	<b>23.9%</b>
Technology Division	7,563	<b>6,276</b>	<b>(17.0%)</b>	2,031	<b>3,783</b>	86.3%	26.9%	<b>60.3%</b>
Research & Development	-	-	-	(555)	<b>(659)</b>	(18.7%)	-	-
	48,733	<b>57,802</b>	<b>18.6%</b>	12,886	<b>15,427</b>	19.7%	26.4%	<b>26.7%</b>
Corporate	126	<b>248</b>	<b>96.8%</b>	(1,356)	<b>(1,517)</b>	(11.9%)	-	-
Eliminations	(3,682)	<b>(3,347)</b>	<b>9.1%</b>	-	-	-	-	-
<b>Revenue / Adjusted EBITDA excluding one-off costs</b>	45,177	<b>54,703</b>	<b>21.1%</b>	11,530	<b>13,910<sup>1</sup></b>	20.6%	25.5%	<b>25.4%</b>

<sup>1</sup> Includes \$0.6m investment in new Denmark market and \$0.2m investigating new territories



# Adjusted EBITDA

| Adjusted EBITDA excludes the following:

EBITDA Adjustments	FY24	FY23
Foreign exchange (gains)/losses	0.2	(1.2)
Professional fees related to completed and evaluated business acquisitions (UK & Germany)	0.4	0.6
Professional fees related to regulatory matters (UK and Queensland)	0.3	-
Denmark EBITDA (excluded from Adjusted EBITDA as commenced in Feb 2024)	0.6	-
Expenses related to investigating new territories (e.g. Scandinavia, USA, etc)	0.2	-
	1.7	(0.6)

# Management services – ANPR estate growth

| Over 1,400 global sites under management

ANPR Site Reconciliation



**Growth target affirmed:**  
1,500 global sites under management before December 2024

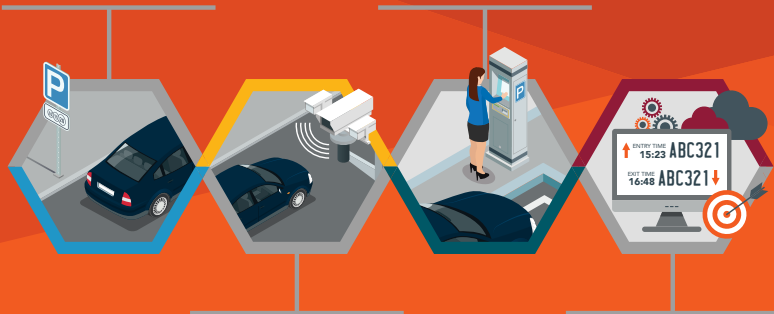
# Management services: How it works

| Parking management improving customer satisfaction and revenue generation.

- **ANPR** | Automatic Number Plate Recognition
- **Pay & Display** | ANPR Linked Automated Payment System
- **Site Surveys** | Real-time information, analysis and trend data
- **Parking Attendants** | Trained and qualified staff
- **DPC (Disabled, Parent and Child)** | Protecting the vulnerable
- **Marshaling** | Trained, professional and customer-friendly marshals

## Motorist

Enters the carpark at the defined entrance



## ANPR Recognition

Camera identifies the number plate of cars entering and leaving the premises

## Validation & payment

Machines facilitate pay & walk or validate parking

## SmartCloud

Automates information and provides detailed reporting

TICKET / RECEIPT

CREDIT CARD  
PAYMENT

INSERT  
TICKET

## ANPR: How it works

| Automatic number / license plate recognition (ANPR) is a reliable, cost effective off-street parking management solution.

**It is proven to serve a wide range of industries including supermarkets, retail, hotels, hospitals and leisure centres. Smart Parking's ANPR solution ensures greater compliance and increased parking revenue.**

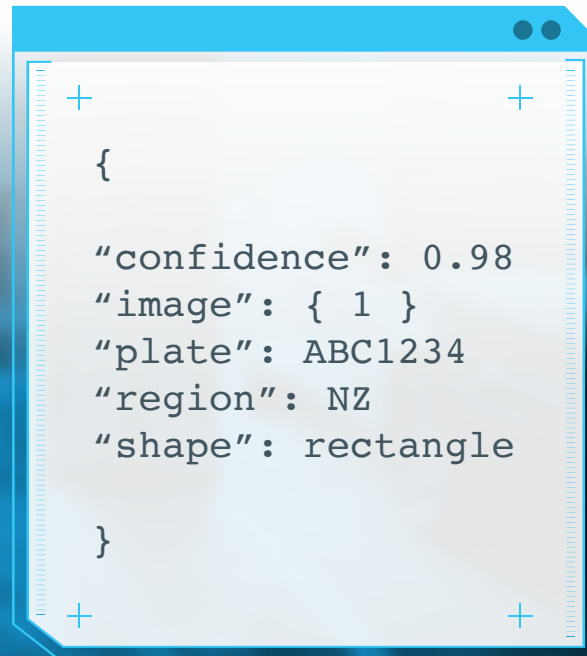
- Ticketless, barrier-free system, parking areas that are managed 24/7
- Automatically generated and issued parking charge notices
- Increased security, comprehensive reporting and account management





# Smart Parking Technology - Smart Vision

Smart Parking continues to innovate in order to drive growth and efficiency in the business. In FY24 our R&D team delivered new products that will drive positive outcomes for both customer and business



---

Provides a revolutionary way to improve vehicle number plate recognition managed by Smart Parking - with a particular focus on optimising vehicle match rates and tailoring this technology to specific business regions UK, Germany, Denmark, Australia, New Zealand and USA

---

This AI driven innovation will allow an additional 8 million vehicles to be reviewed by SmartCloud Platform annually – this is just the current installation portfolio

---

As the software is driven with AI, the software model will continue to learn and evolve allowing more improvements to be achieved

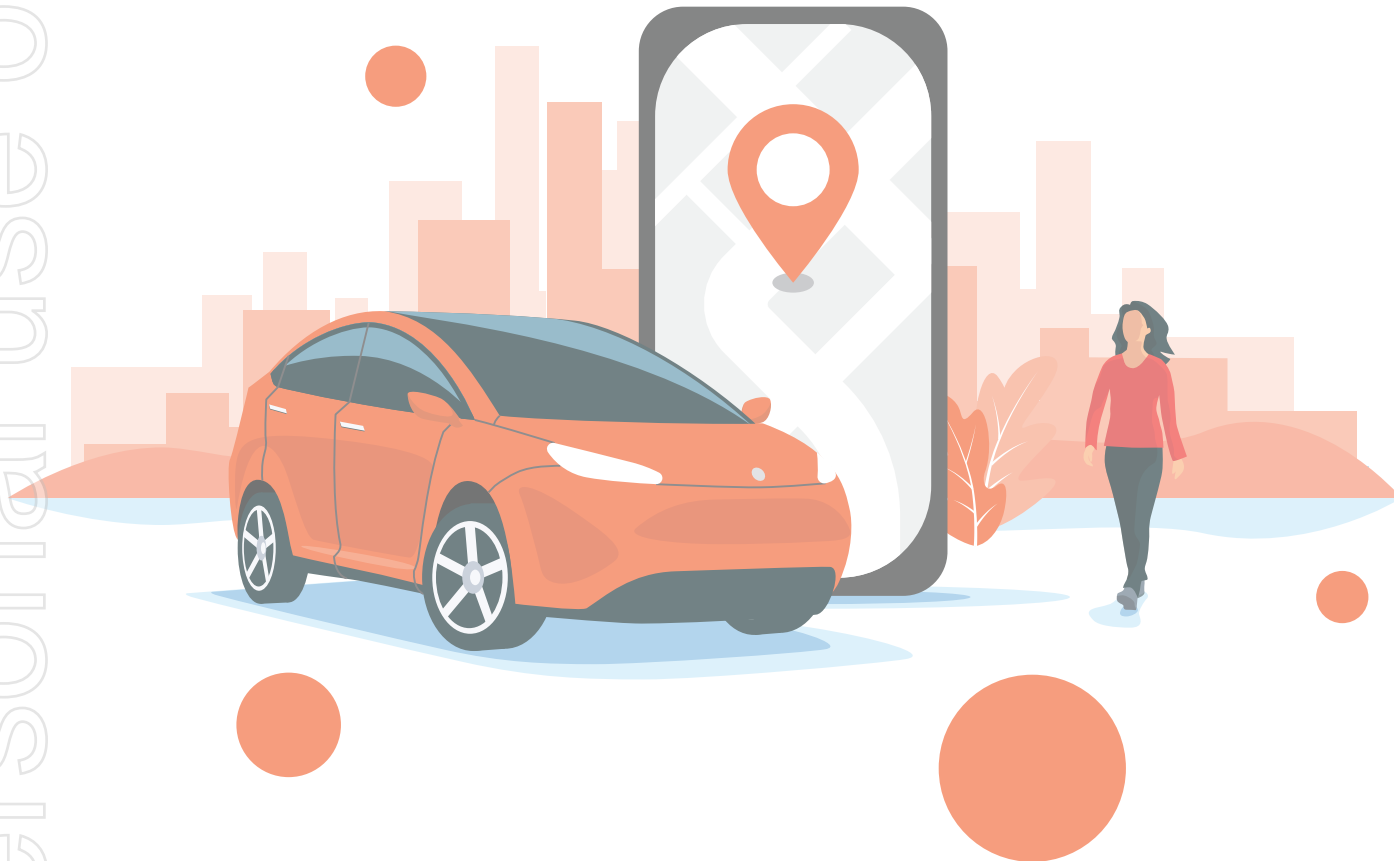
---

This also allows Smart Parking to be camera “agnostic” as the real IP is in Smart Cloud and not the camera

---

# Smart Parking Technology - Smart Cloud Hub

Smart Parking continues to innovate in order to drive growth and efficiency in the business. In FY24 our R&D team delivered new products that will drive positive outcomes for both customer and business



---

HUB is a customer portal that lets land owners and Smart Parking customers see what's really happening on their sites

---

A full reporting suite allows customers to view and have control over business decisions that impact their customers on a daily basis

---

In FY24 the team delivered further enhancements to HUB that have opened up new market verticals, in particular housing associations with the housing tenants able to add and exempt plates/ visitors via a phone app

---

This feature ensures the tenant's car park is managed effectively with a complete audit trail for the land owner of who has used the property and if enforcement action is required

---

This is particularly popular in Denmark and Germany with UK housing associations showing interest to manage inner city estate parking

---

# Glossary

Adjusted EBITDA – The Board assesses the underlying performance of the Group based on a measure of Adjusted EBITDA which takes into account costs incurred in the current period but which are non-operating and/or are not expected to occur in the future.

EBITDA – represents Earnings before interest, taxation, depreciation and amortisation, and profit/loss on disposal of plant and equipment.

## Smart Parking legal disclaimer

The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which this presentation is released, published or distributed should inform themselves about and observe such restrictions.

This presentation does not constitute, or form part of, an offer to sell or the solicitation of an offer to subscribe for or buy any securities, nor the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issue or transfer of the securities referred to in this presentation in any jurisdiction in contravention of applicable law.

Persons needing advice should consult their stockbroker, bank manager, solicitor, accountant or other independent financial advisor. Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Smart Parking Ltd current expectations, estimates and projections about the industry in which Smart Parking Ltd operates, and its beliefs and assumptions. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and similar expressions are intended to identify forward - looking statements.

These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Smart Parking Ltd are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Smart Parking Ltd cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Smart Parking Ltd only as of the date of this presentation.

The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Smart Parking Ltd will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

Non-IFRS financial information has not been subject to audit or review.