

Smart Parking Limited (ASX:SPZ)

FY24 Results

26 August 2024
CEO Paul Gillespie

smartparking.com

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FY24 Highlights

Revenue of \$54.3¹m up

21% 

* Compared to PCP

Adjusted EBITDA
\$14.7m² up


28%² 

* Compared to PCP

Adjusted EBITDA
margin of 27% up 

150 bps

* Compared to PCP

1,424 Total sites
up **28%** 

* As at 30 June 2024 compared to PCP

Adjusted free cash
flow of \$12.2m³ up

40% 

* Compared to PCP

Cash of
\$7.2m

* As at 30 June 2024

¹ Excludes \$0.1m of revenue from Denmark and interest income of \$0.2m

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

³ Excludes Denmark investment and exceptional costs

CEO Observations

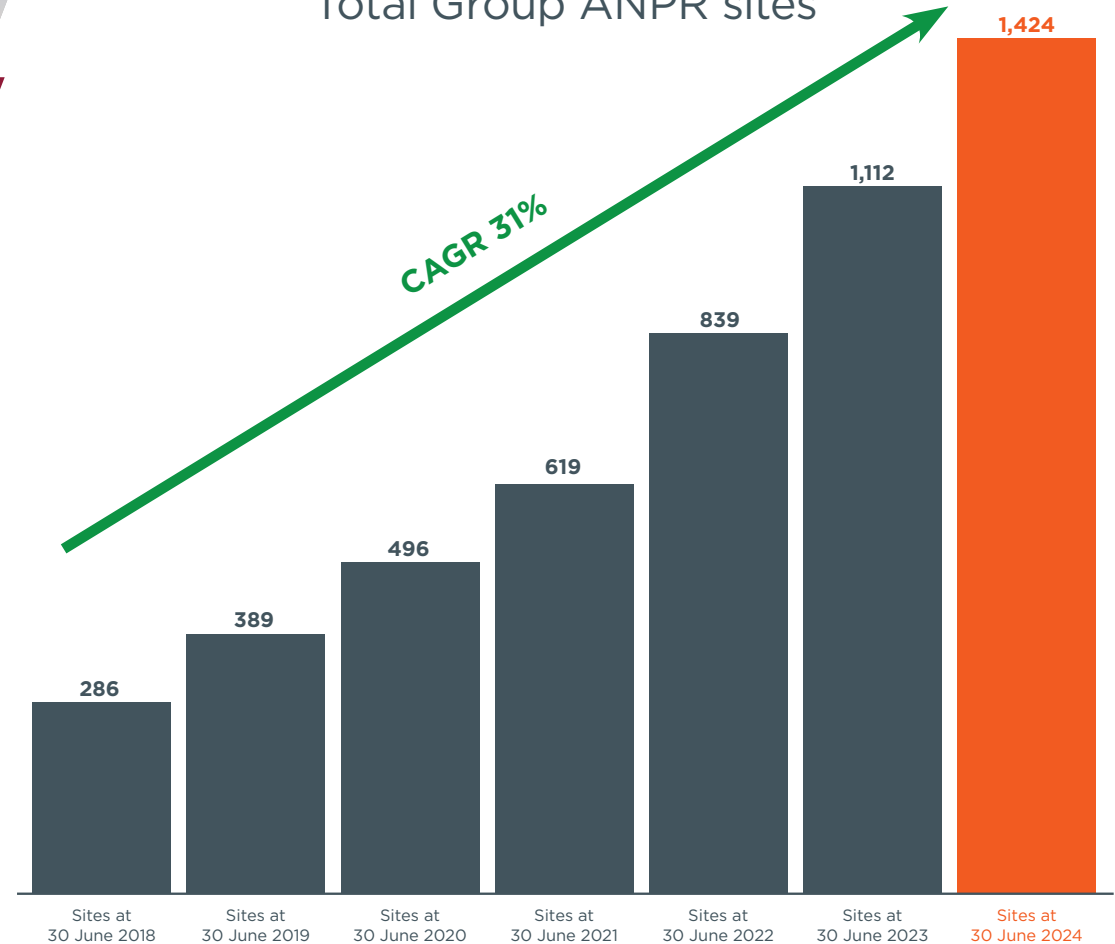
- Disciplined execution of strategy delivers continued growth
- 21% revenue growth, 27% adjusted EBITDA margin
- Adjusted free cashflow up 40%¹
- Strong organic growth in the UK, NZ and Germany complemented by 2 acquisitions (Germany & UK)
- Building scale in new territories, Denmark operations commenced 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

¹ 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)¹



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

¹ Technology enforcement currently paused

FY24 business update

| Record results, expanding market opportunities to accelerate growth.

FINANCIAL

- **Record results** – Revenue \$54.3¹m and Adjusted EBITDA \$14.7m². **Adjusted EBITDA margin of 27%**².
- 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.

¹ Excludes \$0.1m of revenue from Denmark and interest income of \$0.2m

² 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 |
|---|-------------|-------------|--------------|
| Revenue (excluding interest revenue) | 54.3 | 45.1 | 21% |
| Cost of Sales | (16.8) | (13.9) | (21%) |
| Gross Profit | 37.5 | 31.2 | 20% |
| Overheads | (22.8) | (19.7) | (16%) |
| Adjusted EBITDA¹ | 14.7 | 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 | 13.0 | 12.1 | 7% |
| Depreciation and amortisation | (7.0) | (5.4) | (30%) |
| Loss on sale of assets | (0.1) | - | - |
| EBIT | 5.9 | 6.7 | (12%) |
| Net Interest | (0.3) | (0.5) | 30% |
| Net Profit | 5.6 | 6.2 | (10%) |
| Tax expense | (1.9) | 0.2 | (1,089%) |
| Net Profit after tax | 3.7 | 6.4 | (42%) |
| Gross Margin % | 69.0% | 69.1% | |
| Overheads/Revenue % | 42.0% | 43.7% | |
| Adjusted EBITDA Margin % | 27.0% | 25.5% | |
| Basic EPS (cents per share) | 1.06 | 1.82 | |

¹ 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

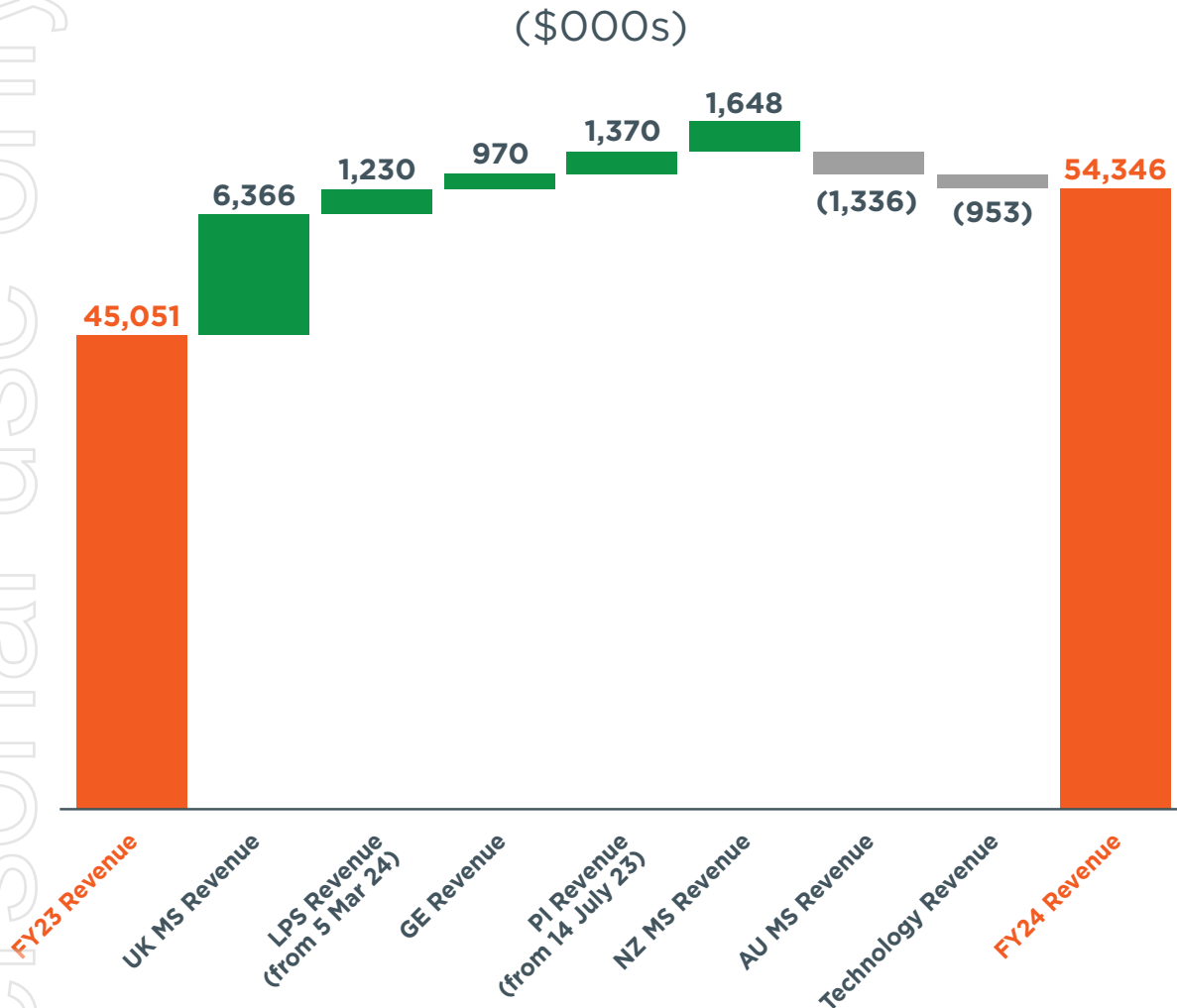
Overheads are up 16% compared to FY23 with a review of resourcing requirements following increased activity, expansion into new territories and acquisitions.

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).

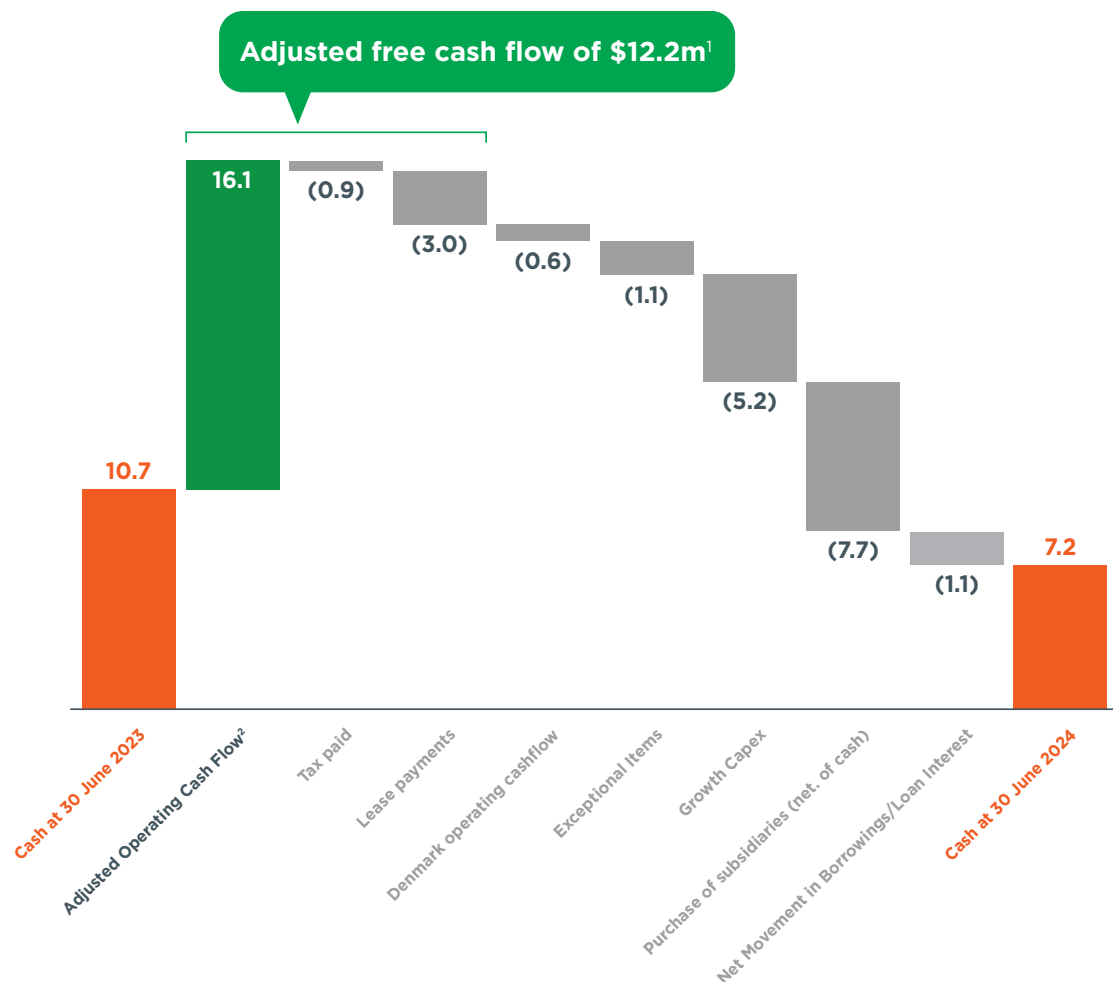
Revenue includes \$2.6m from acquisitions including ParkInnovation (acquired July 2023) and Local Parking Security (acquired March 2024).

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)



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.

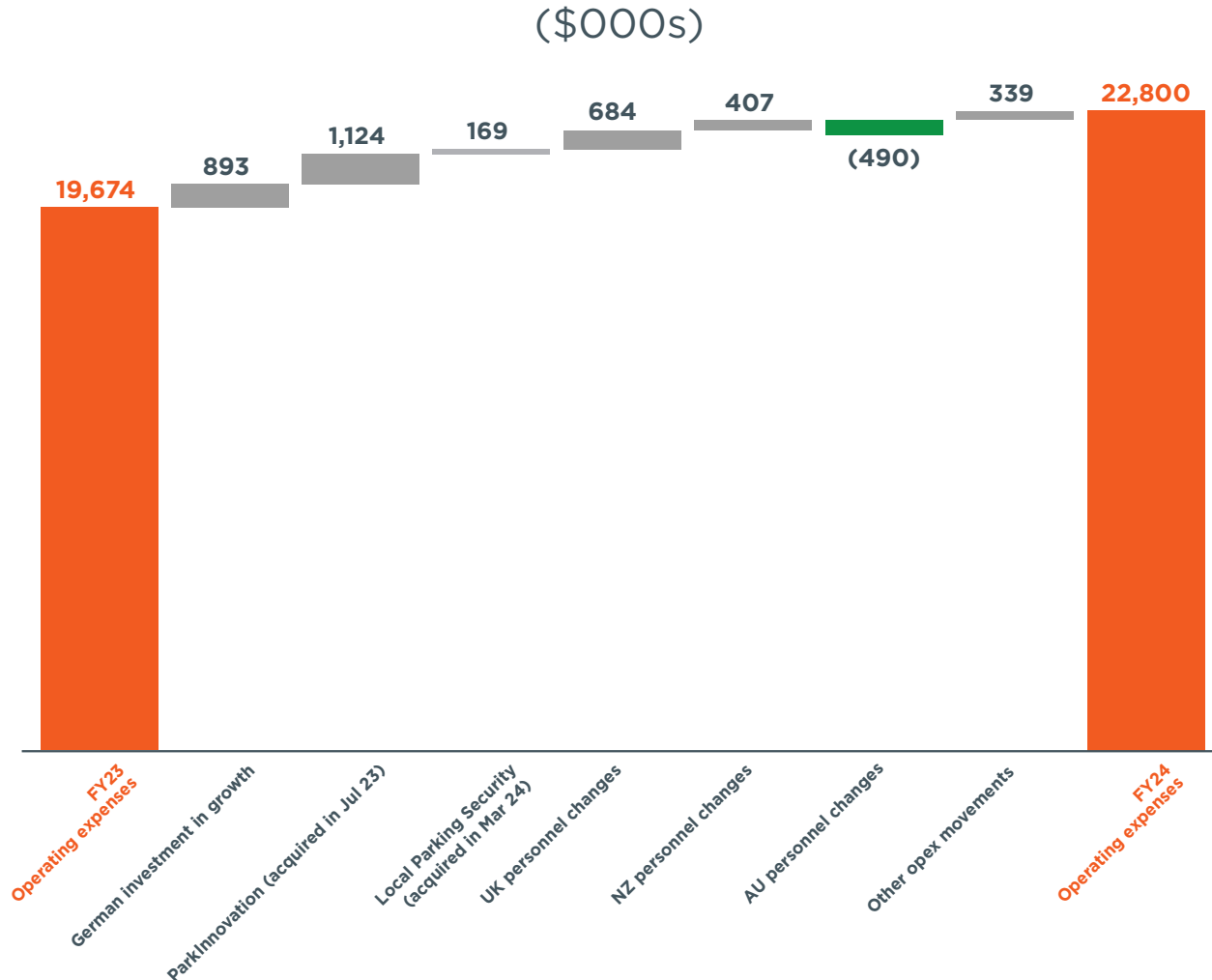
| Sources of cash | m's |
|---|---------------|
| Free cashflow | 12.2 |
| Uses of cash | |
| New territory expansion (Denmark) | (0.6) |
| Growth capex (organic growth) | (5.2) |
| Acquisitions (Germany & UK) | (7.7) |
| Debt repayment | (1.1) |
| Other non operating/non recurring items | (1.1) |
|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

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.

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 |
| Total assets | 57.6 | 56.0 |
| Current liabilities | 20.3 | 16.7 |
| Non-current liabilities | 9.4 | 15.6 |
| Total equity | 27.9 | 23.7 |
| Cash & cash equivalents | 7.2 | 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

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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



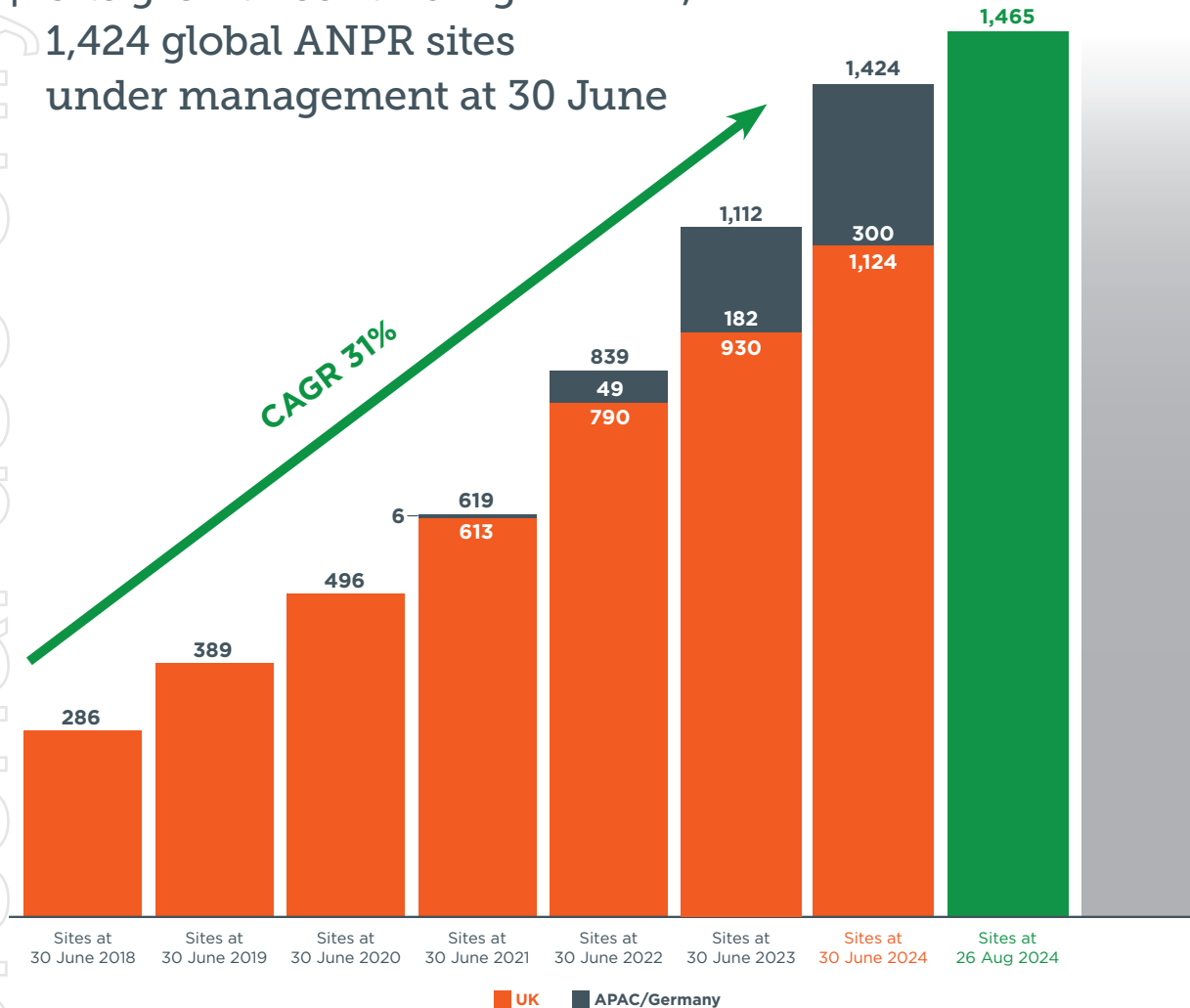
July

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



ANPR target:
1,500 global sites under management before Dec 2024

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.

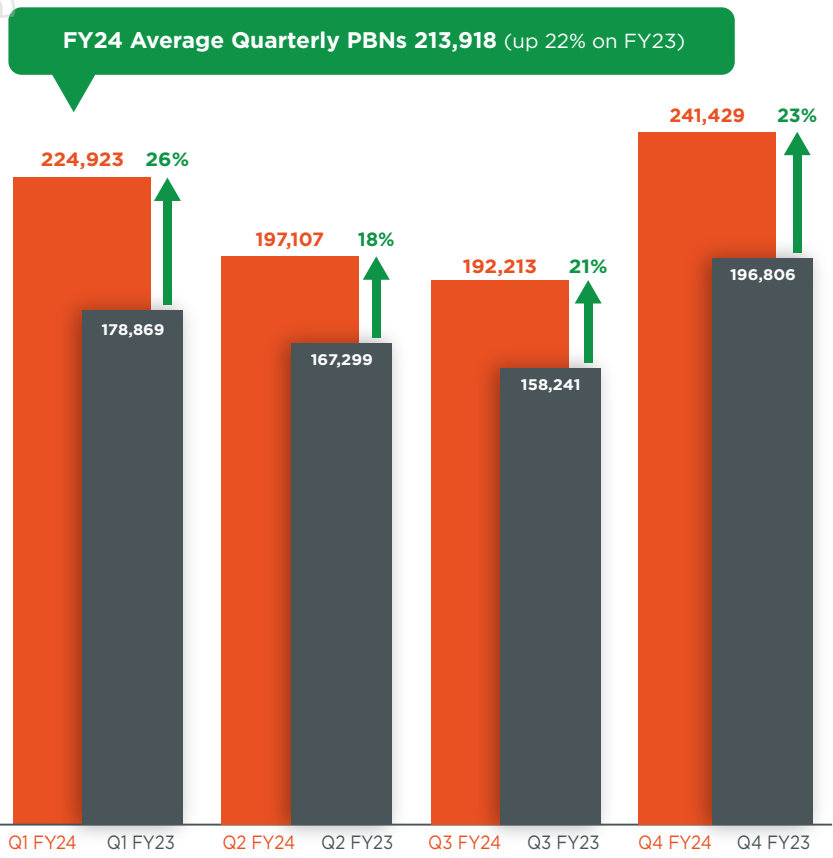
Continue to leverage technology and deep expertise into new markets.

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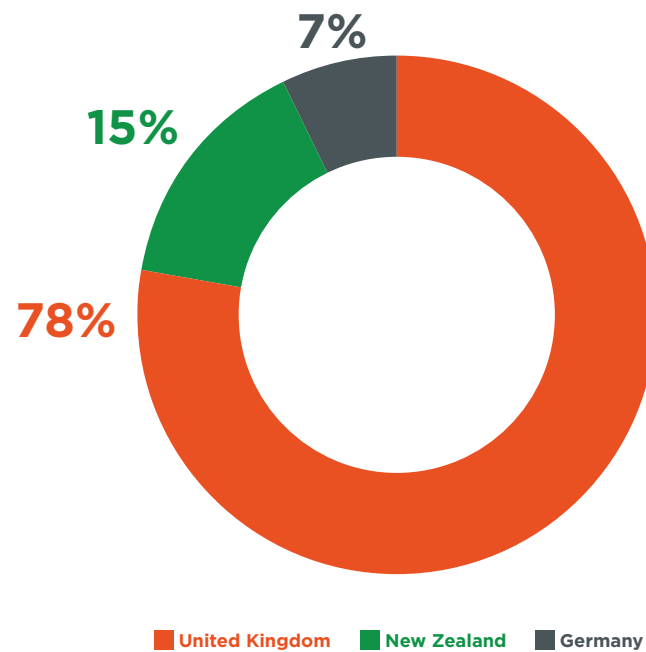
Strong growth underway

| FY24 record PBNs issued, up 22% vs PCP

Parking Breach Notices Issued



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).

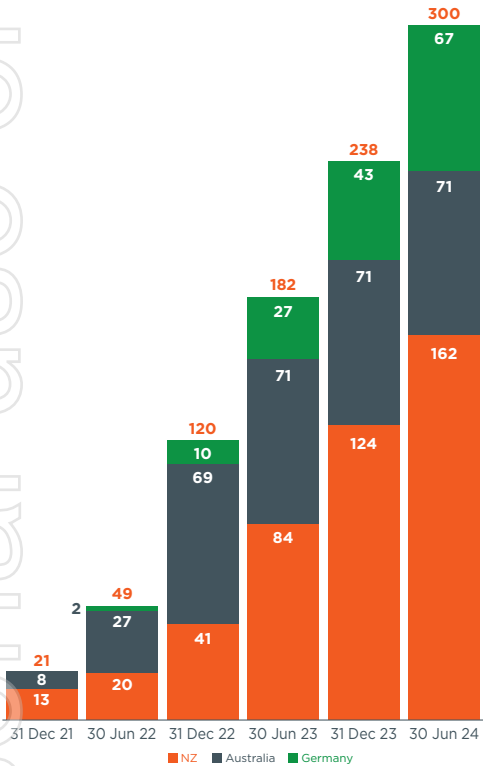
Reduction in PBNs in Q2 and Q3 is in line with normal seasonal variations.

New territory growth underway

| Successfully scaling new territories

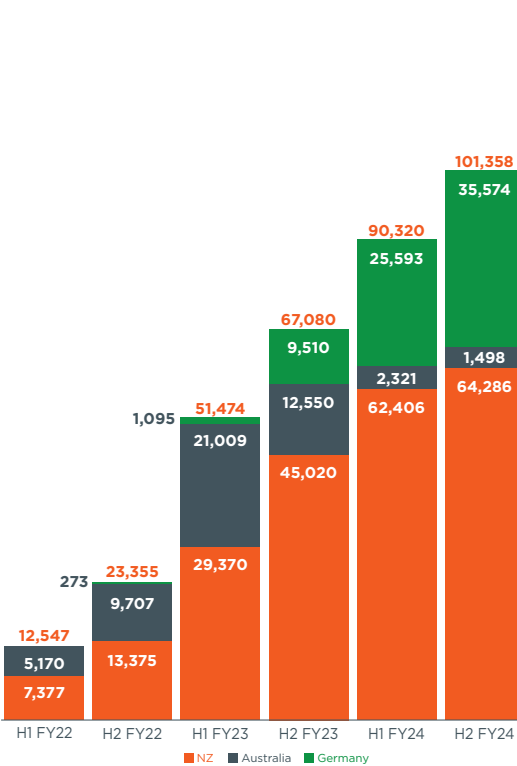
Sites

H1 FY24 new territory sites under management up 98% on PCP



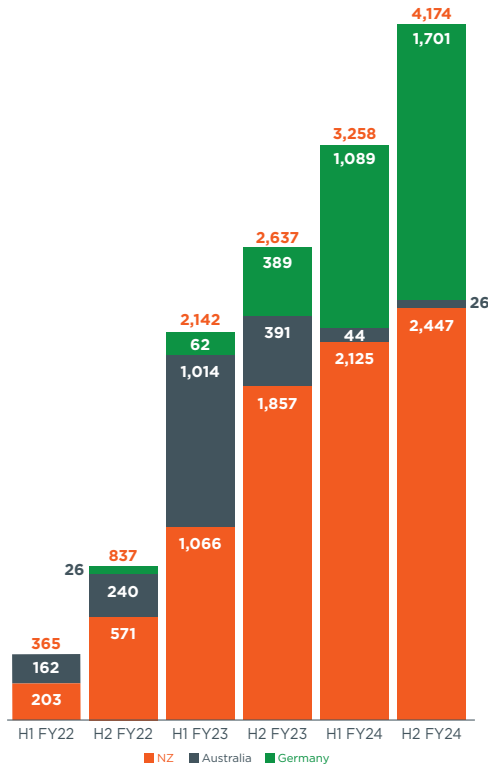
Parking Breach Notices Issued

H1 FY24 new territory PBNs up 75% on PCP



Revenue (000s)

H1 FY24 new territory revenue up 52% on PCP



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.

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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



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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.

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Q&A

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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

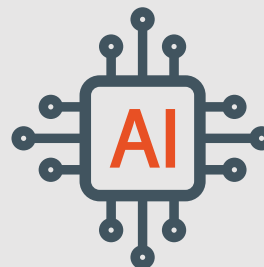
Proprietary technology to facilitate the growth of parking management services. Competitive advantage - SmartCloud allows successful plate matching with infringement business rules, mapping the full life cycle of a breach notice from issuance to payment or collection.



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 | 51,526 | 25.2% | 11,410 | 12,303 | 7.8% | 27.7% | 23.9% |
| Technology Division | 7,563 | 6,276 | (17.0%) | 2,031 | 3,783 | 86.3% | 26.9% | 60.3% |
| Research & Development | - | - | - | (555) | (659) | (18.7%) | - | - |
| | 48,733 | 57,802 | 18.6% | 12,886 | 15,427 | 19.7% | 26.4% | 26.7% |
| Corporate | 126 | 248 | 96.8% | (1,356) | (1,517) | (11.9%) | - | - |
| Eliminations | (3,682) | (3,347) | 9.1% | - | - | - | - | - |
| Revenue / Adjusted EBITDA excluding one-off costs | 45,177 | 54,703 | 21.1% | 11,530 | 13,910¹ | 20.6% | 25.5% | 25.4% |

¹ Includes \$0.6m investment in new Denmark market and \$0.2m investigating new territories

Adjusted EBITDA

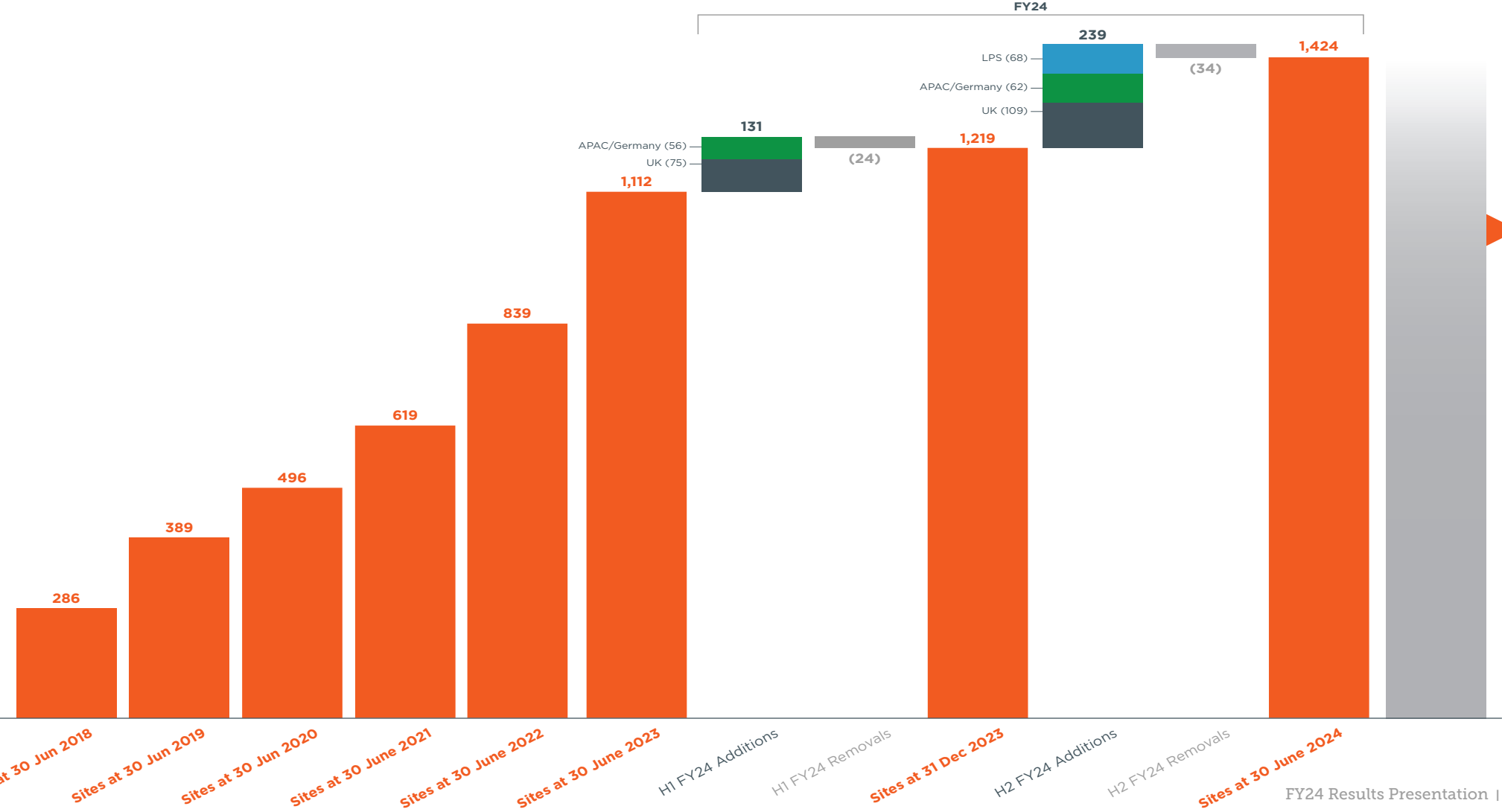
| Adjusted EBITDA excludes the following:

| 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



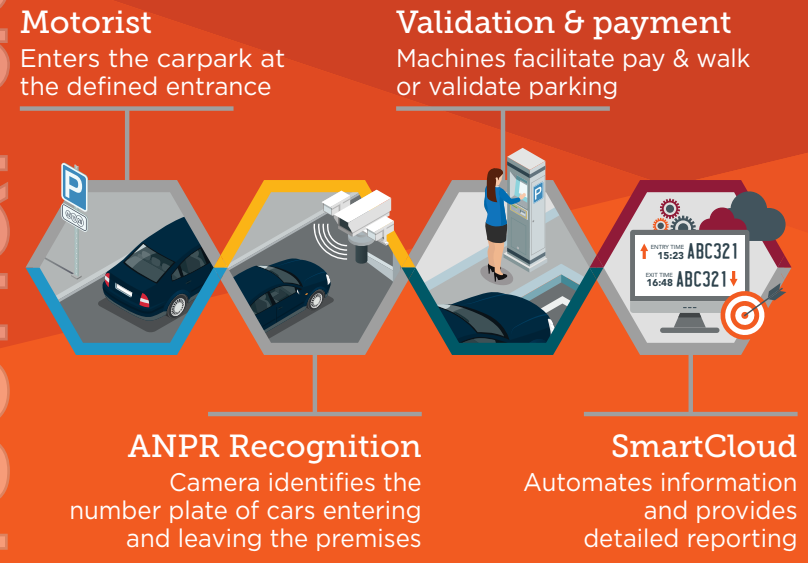
Growth target affirmed:
1,500 global sites under management before December 2024

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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



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

ABC1234

```
{  
  
  "confidence": 0.98  
  "image": { 1 }  
  "plate": ABC1234  
  "region": NZ  
  "shape": rectangle  
  
}
```

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

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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.

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