

MARKET ANNOUNCEMENT

28 November 2019

Gentrack Group FY19 results

Gentrack Group Limited (NZX/ASX: GTK), a market leader in software solutions for utilities and airports, announces its financial results for the year to 30 September 2019.

Highlights (NZ\$)

- Revenue \$111.7m: up 7% on FY18
- Recurring Revenue \$78.2m: up 22% on FY18
- EBITDA¹ \$24.8m: down 20% on FY18
- Adjusted NPAT² \$9.6m: down 31% on FY18
- NPAT (\$3.3m): after \$14.6m impairment
- Final Dividend 3.0cps: bringing full year dividend to 8.0cps

Revenue for FY19 was up 7% on prior year to \$111.7m and EBITDA was down 20% to \$24.8m for the same period. With a continued transition to SaaS on all new utilities business, recurring revenues were up 22% on FY18 and now account for 70% of total revenue, with non-recurring revenue from project services and licences falling 24%. Despite challenging market conditions, the UK business achieved 36% revenue growth on FY18 with the addition of four new energy customers, a water utility customer and three new Evolve projects.

Debt provisions of \$2.4m mainly relating to UK utilities customers, and continued investment in people and product development have contributed to lower EBITDA.

The full year reported net loss after tax of (\$3.3m) reflected the full impairment of CA+ intangibles and goodwill of \$14.6m at half year. Adjusted Net Profit After Tax of \$9.6m is down 31% from \$13.9m in FY18.

A final dividend of 3.0cps has been declared taking the full year dividend to 8.0cps. This represents a total pay-out of \$7.9m and 82% of Adjusted NPAT².

Ian Black, CEO said, "It's been a challenging year for our energy customers with government intervention in pricing reducing margins for energy suppliers in the UK and Australia. Despite this, we have seen many customers leverage our solutions to grow their businesses which has contributed to increases in our Annual Recurring Revenue (ARR) for utilities this year, up 26% on FY18 to \$67.9m.

"We have a leading position in the UK energy market with 6.3m meters billed using our solutions (12.1% market share), up 21% on FY18. Large energy suppliers E.on, EDF and Npower commenced billing with Gentrack solutions, providing a platform for continued market share

¹ EBITDA: Earnings before net finance expense, tax, depreciation and amortisation, acquisition related costs and impairment. This provides a measure of the underlying operating profitability of the business.

² Adjusted NPAT – Underlying NPAT before non cash charges related to impairment

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growth in this segment. Our Evolve offering has continued to perform well throughout the year with further success in the UK, adding three of our existing utilities as customers.

Veovo, the airports business, added Mexico City, Luton and Buenos Aires as new customer names in FY19. Our largest ever deployment of the airport operations solution at Orlando Airport also went live in FY19, alongside a major project at Newark Liberty Airport, significantly lifting our position in North America.

Investment in product development has continued throughout FY19 with total R&D spend up 21% on last year to \$13.5m, of which \$5.1m was capitalised. Our development program has delivered the Gentrack Cloud solutions for energy and water retail markets as well as delivering new camera tracking technologies for passenger management at airports.

With continuing uncertainty in our core UK market, we anticipate results will be broadly flat in FY20.

All figures are presented in NZ\$.

ENDS

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Invitation to Annual Results Investor Briefing

Investors are invited to a conference call on Thursday 28 November at 10:30am NZT / 8:30am AEDT to discuss Gentrack's annual financial results for the year ended 30 September 2019. The call will be hosted by Ian Black, CEO and Tim Bluett, CFO.

The conference call details are:

The dial-in numbers for available countries are listed below. Please dial the applicable number and enter the Conference Code provided below. Questions can be submitted verbally via the audio call system when prompted. To ask a question, dial "*1" (star, 1) on your phone.

- Australia	Tollfree/Freephone	1 800 573 793
- Australia, Brisbane	Local	+61 (0)7 3105 0938
- Australia, Melbourne	Local	+61 (0)3 8317 0932
- Australia, Sydney	Local	+61 (0)2 9193 3706
- Hong Kong	Tollfree/Freephone	800 961 105
- Hong Kong	Local	+852 3008 1527
- New Zealand	Tollfree/Freephone	0800 423 970
- New Zealand, AKL	Local	+64 (0) 9 9133 622
- Singapore	Tollfree/Freephone	800 186 5107
- Singapore	Local	+65 6320 9025
- United Kingdom	Tollfree/Freephone	0800 358 6377
- United Kingdom	Local	+44 (0)330 336 9105
- United States, LA	Local	+1 323-794-2551
- United States/Canada	Tollfree/Freephone	800-239-9838

Confirmation Code: **5151131** Following entry, please provide the required details when prompted

About Gentrack

Gentrack provides essential software for essential services, pairing powerful platforms with deep market knowledge to help utilities and airports lower service costs, foster innovation and confidently navigate market reform. It employs over 550 people in offices across New Zealand, Australia, the UK, Singapore, USA and Europe and services over 200 utility and airport sites globally with its leading solutions.

Gentrack Cloud is a subscription-based billing, customer information, market interaction and portfolio analytics solution for energy and water utilities in markets where flexibility, uniqueness and compliance are essential. Its meter-to-cash capabilities and managed services offering are designed to enable utilities to differentiate their businesses in competitive markets, to deliver great customer service experiences, achieve lower service costs, launch innovative products and stay compliant with market regulations.

More information: www.gentrack.com

Veovo is Gentrack's world-class solution for airports, enabling them to unlock operational, revenue, concession and passenger insights across the airport ecosystem. Over 100 airports globally are using Veovo to operate more efficiently, uncover new growth opportunities and deliver outstanding guest experiences.

More information: www.veovo.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 net finance expense, tax, depreciation and amortisation, acquisition related costs and impairment. This provides a measure of the underlying operating profitability of the business.

GAAP to non-GAAP profit reconciliation

<i>\$000s</i>	12 Months 30 Sept 19	12 Months 30 Sept 18
Reported net profit/(loss) for the period (GAAP)	(3,315)	13,870
Add back: net finance expense/(income)	763	1,820
Add back: income tax expense	3,758	6,863
Add back: depreciation and amortisation	9,440	6,987
Add back: acquisition costs	-	1,268
Less: revaluation of acquisition related financial liability	(384)	(3,835)
Add back: Impairment of goodwill	14,551	3,984
EBITDA	24,813	30,957