

27 May 2021

Market Announcement

Gentrack Group Limited (NZX/ASX: GTK), a leading provider of software solutions for utilities and airports, today released its results for the half-year to 31 March 2021.

Results Summary

- Revenue: \$51.0m - up 0.7% on H1'20
- EBITDA: \$7.0m - up 63.2% on H1'20
- Statutory NPAT: (\$1.1m) loss
- Net cash: \$22.4m up 33.5% on FY20
- No Interim Dividend payable

The results for the half-year show an increase in revenue of 0.7% to \$51.0m. Utilities revenue increased 6% during the period (vs prior comparative period) driven by new customers and increases from existing customers.

Revenues were down in the Airports business by \$2.1m due to the industry downturn but pleasingly annual recurring revenues (ARR) were up 5.8% reflecting the critical role of our product in our customers' operations.

Underlying EBITDA of \$7.0m is up 63.2% on H1'20. Costs were down 5% vs H1'20 due to various cost saving measures, while at the same time increasing our investment in human capital.

The Group achieved \$5.6m net cash generation for the period resulting in \$22.4m net cash as at 31 March 2021, up from \$16.8m at 30 September 2020. There have been further improvements in working capital and cash savings from increased use of share-based incentives. The year-end cash position provides scope for additional investment in technology.

In light of the NPAT loss, the Board has decided not to pay an Interim dividend and will review the position at the year end.

This period has seen the business undergo a transformation with the new leadership team performing strongly and the business servicing our customers better. Revenue is up from increasing customer demand for Total Cost of Ownership (TCO) improvements, regulatory compliance and cleantech innovations. New logo pipeline is growing, and we have new wins in the period.

On the operational front, our global delivery organisation is improving throughput materially, managing several large-scale customer transformation projects effectively and are dedicated to delivering customer excellence. We have opened our new Indian Technology Centre where we have nearly 50 Dev-ops experts coming up to speed on our technologies. We see room for continued improvement in the operational effectiveness of the company.

Our commitment remains to have the best technology in this space and the increased headcount in the business reflects our investment in bringing the right people on board to deliver against this commitment.

We continue to have headwinds from prior year customer attrition and supplier failures in the UK. We have however, moved the business back to growth despite this revenue drag.

We see enormous potential in the clean tech market and the business is establishing a strong foundation for future success. On June 16th we will present our 3 year forward looking strategy to investors and we invite people to attend – please email investors@gentrack.com for more information.

Updated guidance

In February 2021 Gentrack Group Limited (NZX/ASX: GTK) (“Gentrack”) advised that it expected full year EBITDA to be around \$5m and revenues in line with FY20 of \$100.5m.

With the turnaround accelerating, Gentrack now provides the following outlook update:

- FY21 revenues are expected to be slightly ahead of FY20 revenues of \$100.5m
- FY21 EBITDA is expected to be around \$10m for the year on the basis that research and development (R&D) costs are expensed
- Incremental R&D costs are expected to be at an exit rate of ~\$3m/quarter by the end of the financial year
- The company expects to be net cashflow positive in FY21, building on the \$16.8m of net cash reported at 30th September 2020. H2’21 cash generation is expected to be neutral or better.

Presentation Results

Investors are invited to join the presentation of the Half Year Results on Thursday 27th May at 11.00am NZT/9.00 am AUS via webcast:

https://globalmeet.webcasts.com/starthere.jsp?ei=1460826&tp_key=becf47fcb3

It is advised that attendees allow ten minutes prior to the start time to register and download any necessary webcast software.

To join via audio only, please see details here: <https://www.gentrack.com/wp-content/uploads/2021/05/20210520-Investor-Briefing-Details-FINAL.pdf>

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About Gentrack

The global pace of change is accelerating, and utilities need to rebuild for a more sustainable future. Gentrack provides leading utilities across the world with innovative cleantech solutions.

Working with some of the world’s biggest energy and water companies, as well as innovative challenger brands, we are helping companies reshape what it means to be a utilities business.

We are driven by our passion to create positive impact. That is why utilities rely on us to drive innovation, deliver great customer experiences and secure profits.

Together, we are renewing utilities.