

# IKE FY20 Results and Q1 FY21 Update

Significant Growth Opportunity in the U.S. Communications & Electric Utility market

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Confidential





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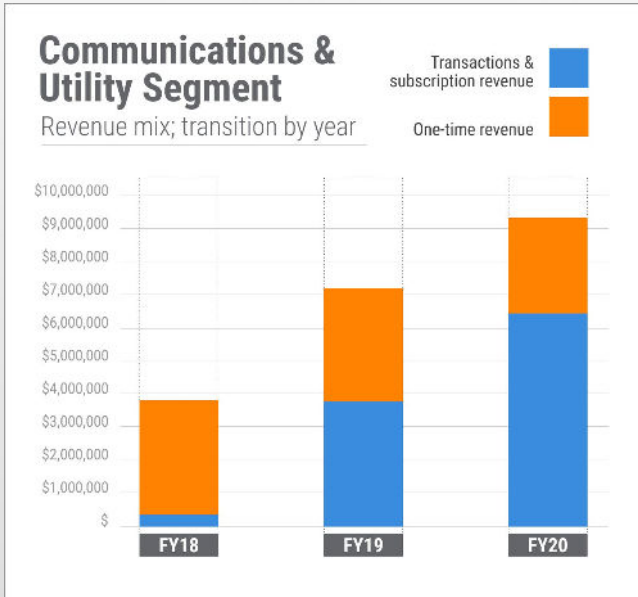
- + FY20 performance metrics for the 12 months to 31 March 2020, inline with the pre-announcement early April.
  - + Record revenue & gross margin.
- + The continued transition of IKE's business model to transaction & subscription revenues.
  - + Including an overview of IKE's solution, called IKE Analyze, that increases revenue quality.
- + Q1 FY21 performance update and Covid-impact assessment.
  - + Solid performance through the Covid-impacted Q1 period with revenue of approximately \$2M.
  - + IKE's has 'essential business' status in U.S.A, and its customers are resuming network activity to pre-Covid levels.
- + Market overview.
  - + Optimal market timing across two core segments. >\$350B investment super-cycle into fiber network and 5G network deployments in North America over the next 3-5 years. The IKE solution speeds pre-construction processes.
- + Team overview.
  - + A Board and executive team with deep industry & business-building experience.



# Positive shift in revenue composition.

## Takeaways:

- + IKE's revenue mix from its core Communications & Utility segment has continued to shift positively and materially the past 12 months.
- + Approximately 70% of FY20 revenue was from transaction & recurring sources (shown by the blue bar in the chart).
- + This is an important transition in terms of increasing revenue quality and predictability to underpin growth.

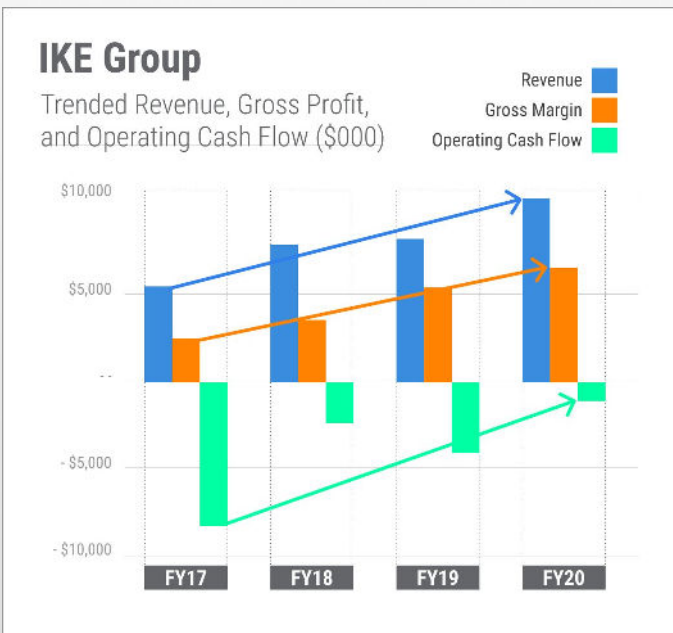




# Positive overall financial momentum.

## Takeaways:

- + The positive momentum of the past 24 months continued through FY20 with respect to revenue, gross profit, and operating cash flow performance.
- + Total Cash & Receivables 31 March 2020 are approximately \$5.8m.





# FY20 Results Highlights

- + Record revenue growth in the core Communications & Electric Utility segment:
  - + Total recognised revenue FY20 of approximately \$9.8m (23% growth against PCP).
- + Gross margin growth:
  - + Record gross margin FY20 of approximately \$7.0m (30% growth against PCP).
  - + Gross Margin percentage improved to 71% (against PCP of 67%).
- + Improved operating cash flow:
  - + Operating cash flow of approximately (\$1.1m) against PCP of (\$4.0m).
- + Operating loss for the year was approximately (\$5.6m) against PCP of (\$5.1m)
- + Record sales into the U.S. Communications and Electric Utility market, with approximately \$9.2m revenue including;
  - + \$2.8m revenue generated from annual software subscriptions and \$3.2m from IKE Analyze (approximately 125% growth in IKE Analyze revenue against PCP)
- + Cash and receivables:
  - + IKE ended the period with total cash & receivables of approximately \$5.9m.





## FY20 Results Highlights cont.

- + Transition to the IKE Analyze business model was continued in FY20
  - + As a result approximately 70% of FY20 revenue was from recurring subscription or transaction sources.
- + The focus continues on two large markets, specifically speeding the pre-construction process in the Communications and Electric Utilities segment in North America.
  - + Market timing is optimal.
- + Multiple customer proof points.
  - + With account acceleration opportunities.
- + Operating momentum.
  - + Across pipeline, brand, customer experience, and process efficiency.
  - + The right people.
    - + Leadership, pole expertise, and governance in place so to lead our niche. The period included the appointment of Mark Ratcliffe as non-executive director, the former CEO of Chorus and former CIO & COO of Spark (formerly Telecom NZ).

# Profit & Loss (unaudited)

	<u>2020</u>	<u>2019</u>
	\$'000's	\$'000's
<b>Continuing operations</b>		
<b>Operating revenue</b>	<b>9,838</b>	<b>7,996</b>
Cost of sales	(2,878)	(2,646)
<b>Gross profit</b>	<b>6,960</b>	<b>5,350</b>
Other income	1	102
Operations cost	(541)	(643)
Sales and marketing expenses	(4,697)	(3,226)
Research and engineering expenses	(3,361)	(3,210)
Corporate costs	(4,011)	(3,443)
Foreign exchange (losses)/gains	5	(39)
<b>Expenses</b>	<b>(12,605)</b>	<b>(10,561)</b>
<b>Operating loss</b>	<b>(5,644)</b>	<b>(5,109)</b>



# Solid Q1 FY21 Performance. Covid-19 impact assessment.

- + IKE performed solidly through the Covid-impacted Q1 FY21 (period ending June 2020) with revenue of approximately \$2M. This represents an approximate 15-20% lower run rate revenue level than FY20 (pre-Covid).
- + IKE expects to end Q1 FY21 with Total Cash & Receivables of approximately \$5.2m (31 March 2020 position of \$5.8m).

## Covid-19 impact outlook

- + IKE's North American customers and their operations resumed high levels of network construction and maintenance activity in June, even with the continued presence of Covid-19 across the U.S.
- + This market did experience a substantial slow-down in activity March through May 2020 due to the sudden uncertainty created by Covid-19, however activity levels have since increased as above.
- + IKE is deemed a "Critical Business" in the U.S. 'Shelter-at-Home' orders across the U.S. are exempting companies deemed "Critical Businesses" that includes IKE and its target customers, being communications companies, electric utilities, and their associated engineering service providers involved in constructing and maintaining Critical Infrastructure.
- + Notwithstanding these mitigating factors and these U.S. Critical Business provisions, IKE is continuing to closely monitor risks related to Covid-19, with a focus on the health & safety of staff and the company's resilience across supply chain, customers, and technology.
- + We are conservatively planning for the scenario of lower activity Q2 FY21 and are considering the possible impacts should Covid-19 surge again in specific U.S. regions or states where our customers operate.
- + + The Covid-19 situation continues to change and develop in the U.S., and these statements are in the context of what is known at this point-in-time. IKE's fuller customer update can be seen at <https://ike4.ikegps.com/our-covid-19-response/>.
- + + Operationally, IKE has transitioned its U.S. operation to mostly remote working, while its New Zealand operation is back to "in-office" status in the Level-1 environment.
- + + Due to the cloud-based nature of IKE's products, systems and processes, and the critical nature of the industry it serves, the changes required to IKE's operation throughout this situation have continued to be mostly smooth. As such, IKE people and products are expected to continue to deliver the highest levels of performance, availability, and security





# IKE speeds network pre-construction for two large markets

Timing is optimal...

## Communication Infrastructure Providers (CIPs)

### Pain point IKE solves;

- + Bring networks and services online faster.
- + Standardize costs & data Standard across multiple geographic markets.

### Applications;

- + Fiber network deployments
- + 5G network deployments

### Market opportunity for IKE;

- + Bottom up;
  - >\$225m revenue opportunity over 5 years from the largest 15 players in the U.S.
  - >200 CIPs in the North American market.
- + Top down;
  - >\$300B forecast investment into fiber networks in the U.S over next 5+ years.
  - >\$50B forecast 5G network investment

## Electric Utilities

### Pain point IKE solves;

- + Sharply increasing pole attachment permit requests.
- + Require a Standardized way to assess if poles are compromised.

### Applications;

- + Joint-use requests from CIPs
- + Network hardening to protect against storm and fire risk.
- + In some cases, building their own fiber networks.

### Market opportunity for IKE;

- + The largest potential market for IKE in the long term;
  - >3,200 electric utilities in North America
  - >\$750M per annum Total Addressable Market
- + IKE expects that this segment will develop more slowly than the CIP and Engineering Service Provider market

## Engineering Service Providers (force multipliers for IKE)

### Pain point IKE solves;

- + Need to maximize efficiency and profits. Typically doing >50% of the network development work for the CIPs and Electric Utilities.

### Market opportunity for IKE;

- + >1,000 engineering groups in the U.S. Use of IKE tools for field engineering drives asset data back to the IKE Analyze transaction platform.



# And is working with the biggest names in the business

With significant account expansion opportunities.

Proof Points

Comcast

SDGE

verizon

CROWN  
CASTLE

COX  
COMMUNICATIONS

AT&T

DQE

Charter  
Spectrum

COX

CABLE  
ONE

SOUTHERN CALIFORNIA  
EDISON

CYIENT

verizon  
wireless

AVISTA  
Corp.

ComEd  
An Exelon Company

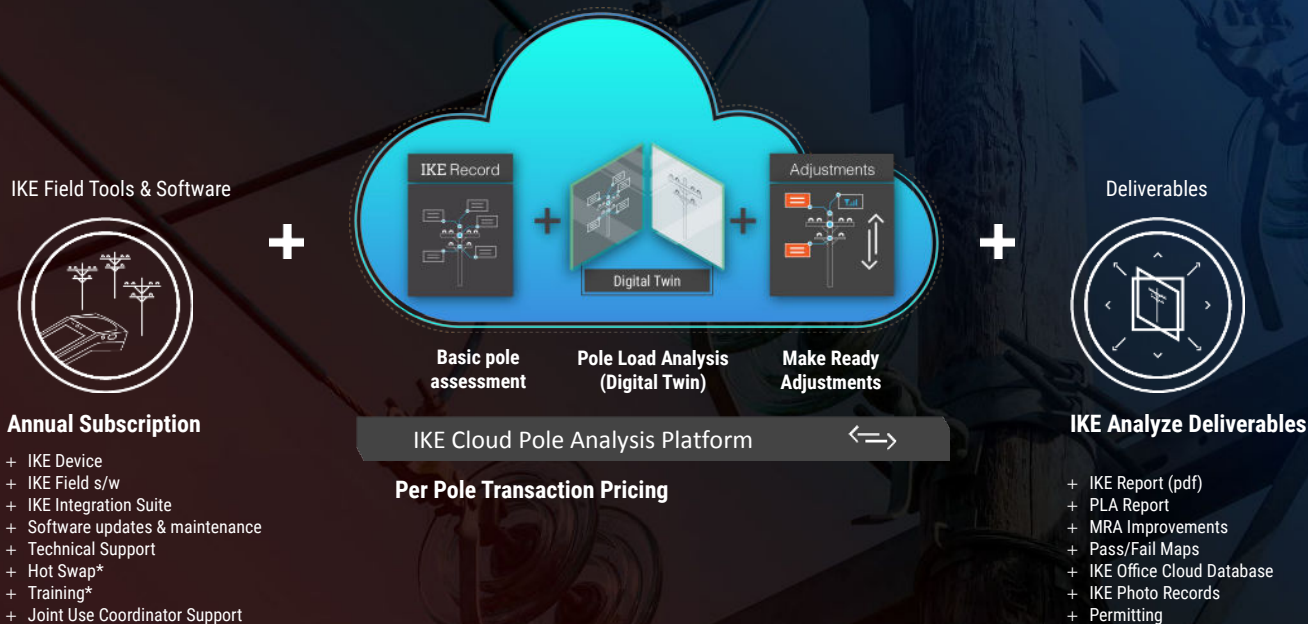
PG&E

LA  
DWP



# Extending the IKE Analyze solution to deliver more value

And substantially extending IKE's revenue model as the core growth driver.



\* = Customer Paid Shipping



# Rapid growth in usage of the IKE platform

>17M aerial asset records on the system. And growing each day.

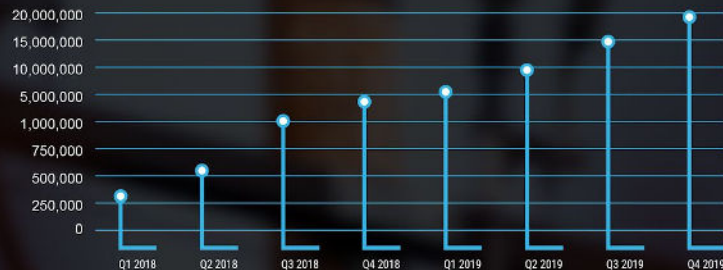
Pole Photos Captured

**17.7 Million**

Poles in IKE Office

**2.8 Million**

Pole Photos Captured - 8 Quarters



IKE Users

**7,480**

Companies

**301**



# Photo-Verifiable Accuracy

Evidence of assets as they exist in the field.

## IKE Office // Photo Verifiable Accuracy

**Assets List:**

- 1805 17 May, 2019 3:04 pm
- 1385 20 Feb, 2019 12:34 pm

**Annotations on Photo:**

- 30' 11" - Primary - #4 COPPER 7...
- 27' 7" - Proposed Attachment
- 24' 10" - Metal Risers - 3" Metal
- 23' 7" - Secondary - TRIPLEX 4...
- 22' 4" - Streetlights - Streetlight\_8...
- 16' 5" - CATV - CATV 1.0 - Static
- 14' 11" - Telco - TELE 1.0 - Static

**Equipment List:**

Equipment #1 - Streetlights - Streetlight_8 ft. Arm 8.0 ft arm	
Type	Streetlights - Streetlight_8 ft. Arm 8.0 ft arm
Orientation	21.895
Quantity	1
Owner	UTILITY - POWER
Attachment Height	22' 4"
Bottom Height	
Note	

Equipment #2 - Metal Risers - 3" Metal	
Type	Metal Risers - 3" Metal
Orientation	12.754
Quantity	1
Owner	UTILITY - POWER



# Pole Loading Analysis, via the FY20 PoleForeman acquisition

Embedded customers include a number of the largest investor-owned utility groups in the U.S.

Pole Loading  
Structural integrity  
Clearance Analysis  
NESC compliance



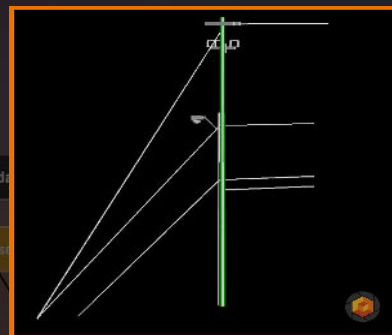
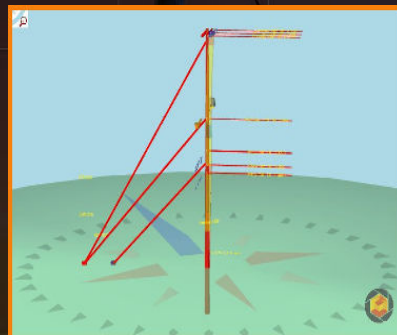
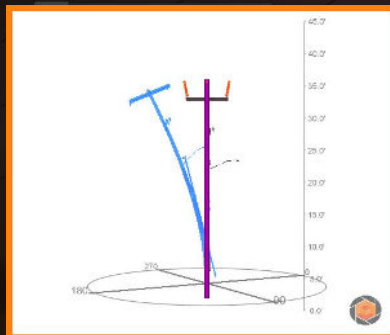
38'6" - Tip

37'2" - Single Cross Arm

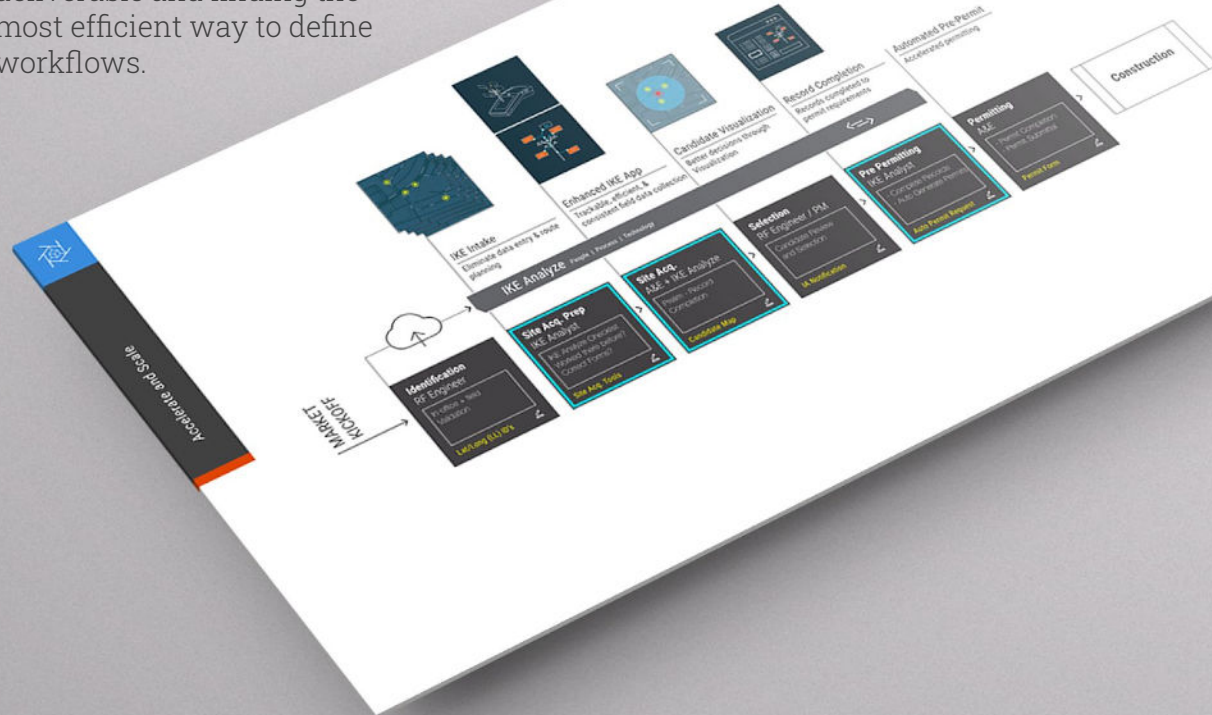
37'6" - Primary > #4 Copper

36'4" - Down Guy > 3/8"

13" - Base Offset



Starting with a customer deliverable and finding the most efficient way to define workflows.

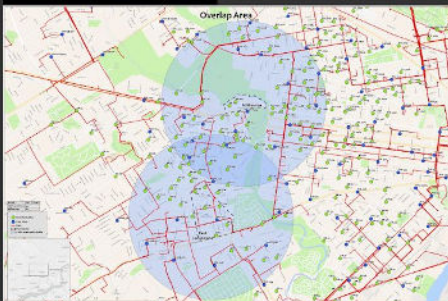




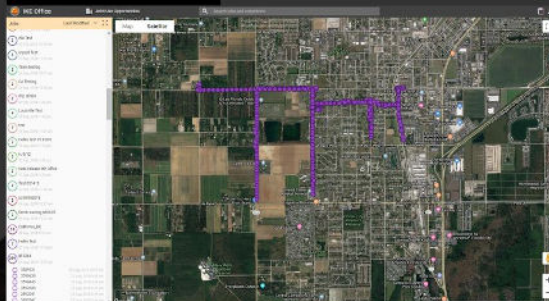
# Data Management Products to Ensure Quality

Schedule & route planning to ensure 'One-Trip to the Field' efficiency.

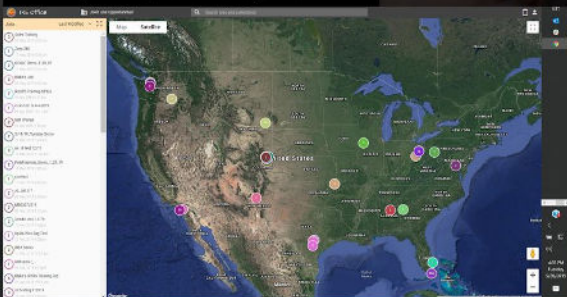
Site Acquisition



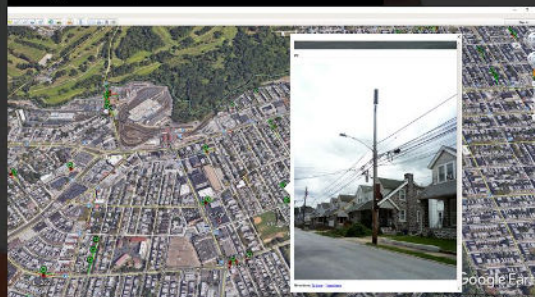
Site Acquisition



Site Acquisition // Data Management

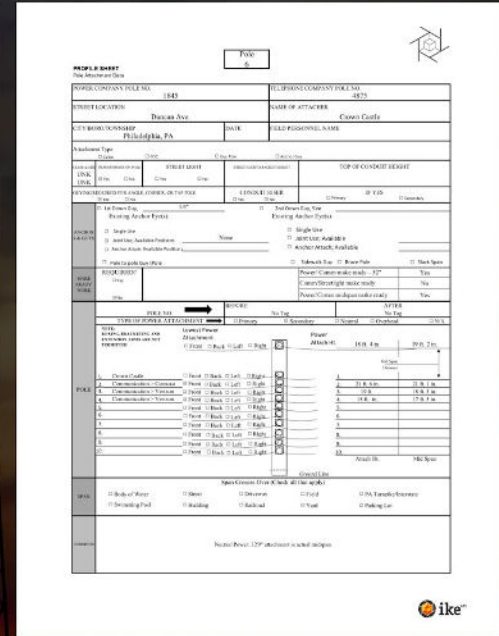


Google Earth // KML



# Enabling Faster Permitting

Automated Attachment Permit Applications; eliminating manual input errors & dramatically speeding up permitting.





# Key Drivers of the IKE Solution

Achieving dramatic productivity gains and improvements in quality & safety for our customers.

**17.7 Million**

Photos  
of poles to date

**2.8 Million**

Assets  
in IKE Office

**75%**

Reduce  
personnel requiring field visit

**0**

Zero  
revisits to the pole

**2x Faster**

Improve  
workflows from end to end

**8x**

Reduce  
permit request rejections

\* Data above as at September 2019.





# Team; Governance Strengthened through FY20

## Board of Directors

### **Rick Christie / (MSc (Hons) Chemistry)**

Chairman and Independent Director

Rick Christie is the former Chairman of Ebos Group, where he was Chair through much of its growth to become a >\$3B business today. He has experience on a number of other major boards, including TVNZ. Rick was previously CEO of investment company Rangatira Ltd and had 20 years' executive management experience in the international oil & gas industry.

### **Dr. Bruce Harker / (PhD Electrical Engineering, BE (Hons))**

Independent Director

Bruce is currently Director of H.R.L. Morrison & Co's Energy Group and is also Chairman of ASX listed Tilt Renewables. Among other directorships, he was previously Chairman of NZX listed TrustPower and Z-Energy.

### **Bill Morrow**

Independent Director

Bill currently leads a business-wide strategy initiative at AT&T, the world's largest communications company, reporting to its Chairman & Board. Bill has held positions including CEO of Vodafone Europe, President of Vodafone KK Japan, CEO of Pacific Gas and Electric. Bill was also CEO of NBN co., where he led the build of Australia's \$40B universal broadband network that has connected more than 6.5 million homes and businesses. His Board experience includes as a member for eight years at Broadcom Inc. (one of the world's largest semiconductor businesses) and Openwave.

### **Glenn Milnes (MBA (Dist.), BSc (Hons), BPhed)**

CEO & Managing Director

Glenn Milnes is the CEO and managing director at ikeGPS, where he is accountable for the company's overall strategy, performance, and growth. Prior to leading ikeGPS, Glenn previously held senior executive, strategy and corporate development positions in the Communications industry with Cable & Wireless International, and with No. 8 Ventures.

### **Alex Knowles**

Director

Alex has investing and operating experience with international companies in the information technology and transportation industries. Based in Los Angeles, He was formerly Chief Operating Officer of the largest international freight forwarder and small parcel consolidator in the U.S.

### **Mark Ratchliffe**

Independent Director

Mark joined IKE most recently from Chorus, where he was its CEO leading the deployment of New Zealand's national fiber network. Prior to Chorus Mark was CIO and COO of Spark (formerly Telecom NZ). His other governance roles include as non-executive director of 2Degrees Mobile and as Chairman of First Gas.

### **Fred Lax / (MSEE AND BSEE)**

Independent Director

Fred Lax is an executive leader with extensive global experience in the telecommunications industry and related technologies. Based in California, he is a former director of NASDAQ listed Ikanos Communications Inc. (acquired by Qualcomm Atheros), and former Chief Executive Officer and President of NASDAQ listed Tekelec Inc.



# Team; Executive leadership & Pole experts

Supporting a direct go-to-market model; selling & delivering directly into the largest infrastructure companies in North America.



**Glenn Milnes**

Chief Executive Officer & Managing Director



**Leon Toorenburg**

Chief Technology Officer



**Chris Birkett**

Chief Financial & Operating Officer



**Dan McGrady**

Director of Customer Success



**Mike McGill**

Senior VP, Utility & Communication Business Unit



**Liz Etzel**

Support Lead



**Matthew Worster**

VP, IKE Analyze



**Blake Collins**

Solutions Engineering Manager



# Thanks...

## Dedicated to Serving Communications Companies & Electric Utilities.

Who are focused on:

- Faster network deployments.
- Improving network and data quality.
- Keeping crews out of harm's way.
- Meeting the demands of regulators.