



# MEASURING UP

FY16 Results & Commentary



Get the measure of your world

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# INVESTOR CALENDAR



**Audited Financial  
Statements**

23 May\*



**Annual Report**

30 June\*



**Annual General  
Meeting**

20 Sept\*

\*Dates New Zealand time

# FY16 IN REVIEW

## 2.3x

### Growth

Revenue & other income up 2.3 times against FY15, to \$9.2m.

## 56

### Capability

Personnel in CO, WA and NZ offices. Team depth to support growth plans and transition to cash breakeven.

## >2,000

### New enterprise customers

First \$1m IKE 4 account in the utility market. Rapid Spike expansion across signage vertical. Stanley Smart Measure Pro selling through at Lowe's at approximately 1,000 units per week.

## 4

### New product platforms

A portfolio of products now in place to address multiple vertical markets.

Spike: Next generation smart phone solution, including cloud services.

Stanley Smart Measure Pro: Launched successfully in Lowe's across North America, entering Europe in FY17.

IKE 4: New platform for measuring, analysing and managing distribution assets.

iKE Cloud: Underpinning all products transition to subscription revenues in FY17.

# WINNING IN THE MARKET

Competitive landscape	ike approach at beginning of FY16	Achieved in FY16
Aggressive price discounting on hardware, focused horizontally	Hybrid software & hardware offerings allow premium pricing & recurring revenue.  Focused expertise for defined niche markets	New products and industry-specific software enhancements: <ul style="list-style-type: none"> <li>- IKE 4 solution, almost doubles value, margin and price against IKE 3</li> <li>- Next generation Spike, almost doubles value &amp; margin</li> </ul>
Walled garden	Developing an open and integrated ecosystem, while maintaining value for ike	IKE Cloud and Spike App-to-App API released: <ul style="list-style-type: none"> <li>- Enabling integration into incumbent mobile apps and work flows</li> </ul>
Treat customer service as a cost	Superior customer experience to drive adoption	<ul style="list-style-type: none"> <li>- Field training and integration teams creating competitive advantage, and delivering revenue</li> <li>- Very low product returns</li> </ul>
Brand zero	Building a brand, and measuring experience, that customers love: clear, simple, personable, expert	Passionate customers are driving IKE's brand. In FY16 Spike was recognised globally as the most innovative product to enter the signage market.
Legacy reseller model is expensive and limiting	Layered approach: <ul style="list-style-type: none"> <li>- Online sales model scales fast</li> <li>- Direct sales with high customer touch &amp; high service, underpins high value IKE 4 sales</li> <li>- Partners provide scaled market access</li> </ul>	<ul style="list-style-type: none"> <li>- Ecommerce engine for Spike is delivering material revenues.</li> <li>- Direct sales, marketing and field integration teams in place for IKE 4.</li> <li>- Stanley Smart Measure Pro introduced via Lowes.</li> <li>- Spike signage partner network growing rapidly in U.S. and non-U.S. markets</li> </ul>

# IKE 4 SOLUTION INTRODUCED: ADDRESSING MORE OF THE 'POLE' VALUE CHAIN

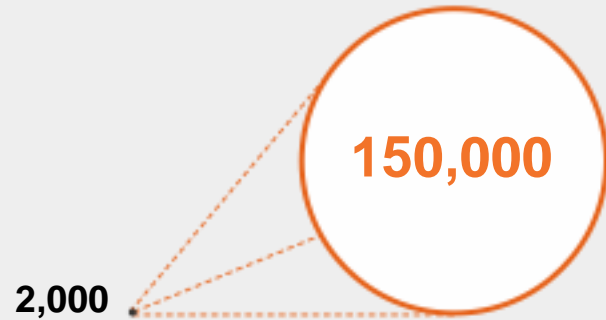


“Designed from the ground up to set the standard for measuring, locating and analysing utility poles for aerial fiber deployments, joint-use applications and construction of aerial outside plant.”

# SPIKE IS WINNING IN THE SIGNAGE MARKET



signage businesses relying on Spike every day to improve their business processes and save time & money



while we've won 2,000 customers in the initial 12 months addressing this market, there are another 148,000 to serve



# AND SPIKE JUST WON THE INT'L SIGN ASSOCIATION'S GLOBAL PRODUCT OF THE YEAR AWARD



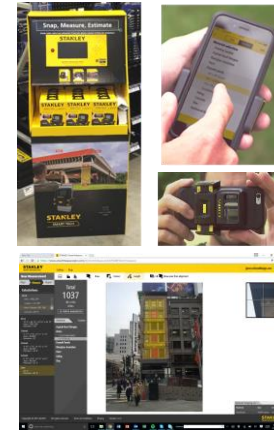
“ The most important product to enter the signage market in the past decade”

1<sup>st</sup> Place Winner



# STANLEY SMART MEASURE PRO'S SUCCESS IN THE U.S. BRINGS EUROPE MARKET ENTRY FY17

 **New markets being launched in FY 17**



“ I rarely take the time to post a review of a product, but every once in a while you find something like this that blows everything else out of the water. I'm in real estate and rely on exterior measurements to calculate...”

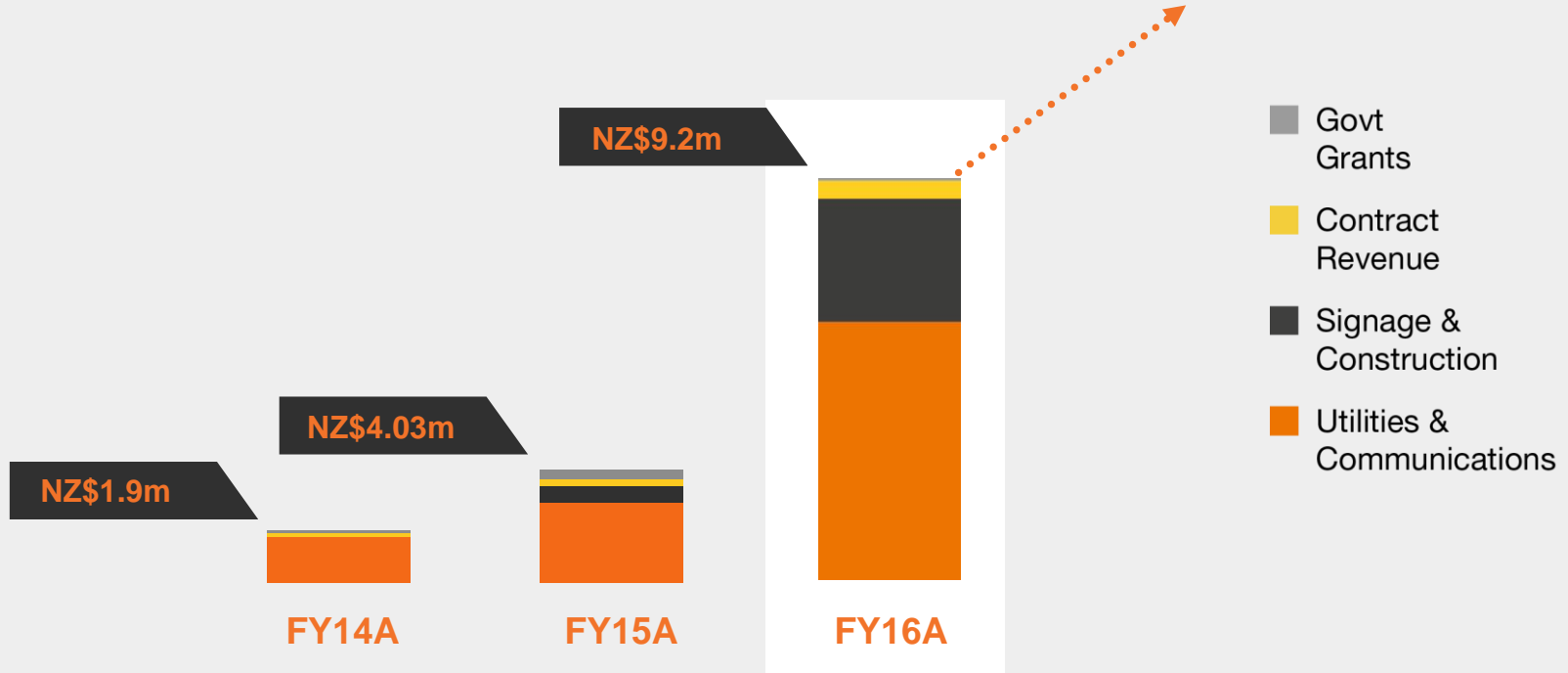


# Results

# RESULT AFTER TAX

	YEAR ENDED FY14	YEAR ENDED FY15	YEAR ENDED FY16
	Audited FY14A \$'000's	Audited FY15A \$'000's	Audited FY16A \$'000's
Revenue and other income	1,884	4,026	9,214
Expenditure	(3,600)	(9,215)	(17,392)
<b>Loss before depreciation, amortisation, financing and tax</b>	<b>(1,716)</b>	<b>(5,189)</b>	<b>(8,178)</b>
Depreciation and amortisation	(363)	(807)	(1,306)
Foreign exchange (losses) / gains	(158)	625	280
Other expenses from IPO	–	(272)	-
<b>Loss before financing and tax</b>	<b>(2,237)</b>	<b>(5,643)</b>	<b>(9,204)</b>
Net finance income / (expenses)	(49)	565	361
Income tax (expense) / benefit	24	(3)	7
<b>Loss attributable to owners of ikeGPS Group</b>	<b>(2,262)</b>	<b>(5,081)</b>	<b>(8,836)</b>

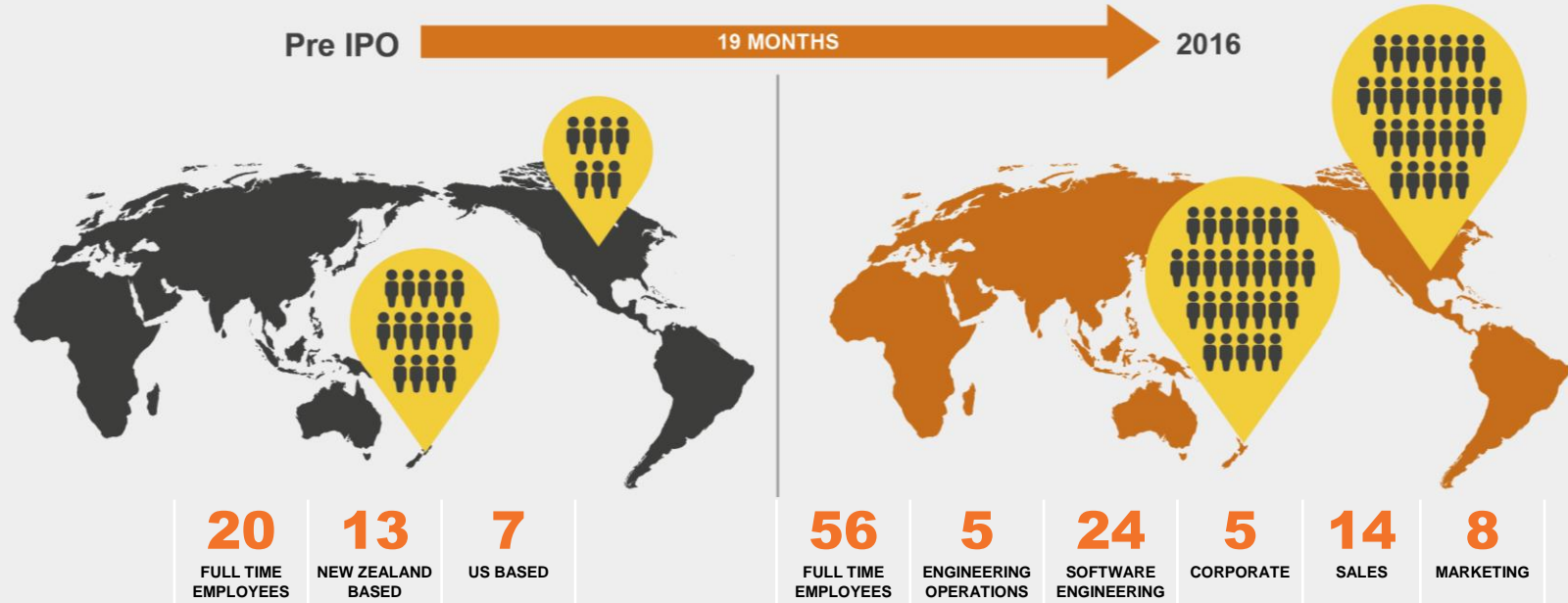
# >100% YEAR-ON-YEAR GROWTH CONTINUED. NEW VERTICAL MARKETS DEVELOPED



# GROUP OPERATING RESULTS & NET ASSETS

	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>
	<b>\$'000's</b>	<b>\$'000's</b>	<b>\$'000's</b>
Total operating revenue and government grants	1,883	4,026	9,214
Net loss before other comprehensive income	(2,262)	(5,081)	(8,836)
Net assets	3,949	22,122	13,241

# CAPABILITY: INVESTMENT IN PEOPLE





# Outlook



# KPI's

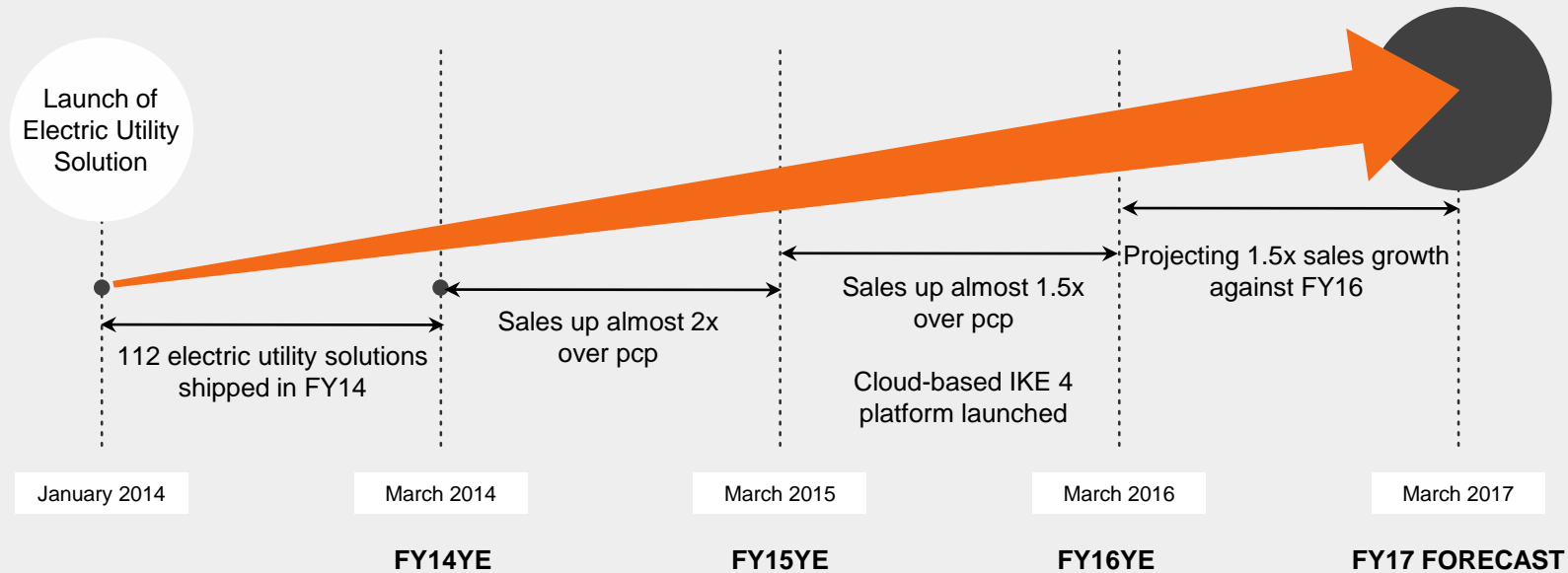
Metric	Expectation at commencement of FY2017	Projected Performance
Customer and market growth	<p>“We expect:</p> <ul style="list-style-type: none"> <li>- 50% growth in IKE 4 customer acquisition against FY16</li> <li>- 50% growth in Spike customer acquisition in the Signage market against FY16</li> <li>- 60% of Spike users in the Signage vertical to subscribe to the cloud service.</li> <li>- Expansion of Stanley Smart Measure Pro into Europe to deliver volumes of 500 units per week.“</li> </ul>	>50% customer growth over FY16
Cash and investor relations	<p>“We</p> <ul style="list-style-type: none"> <li>- expect to transition to cash breakeven in Q4 FY17.</li> <li>- plan to continue to implement a long term investor relations programme in the U.S. market to complement NZ activities, and potentially seek a U.S. listing.”</li> </ul>	Cash breakeven Q4 FY17
Gross margins, pricing & business models	<p>“We expect</p> <ul style="list-style-type: none"> <li>- gross margins to increase on all ike-branded products</li> <li>- all products to develop a higher bias to recurring revenue via cloud-based software subscriptions</li> <li>- the introduction of subscription business models for the IKE 4 and Spike products to materially increase value and thus customer total cost of ownership over a 3 year period. We also expect this business model change to impact recognized revenue in FY17 relative to customer growth metrics.”</li> </ul>	<p>&gt;65% Gross Margin on ike-branded products (IKE 4 and Spike)</p> <p>Recurring revenue streams established across all products</p>
Sales & Marketing	<p>“Costs will increase in absolute dollar terms as investment toward acquiring customers and growing market share continues, however we expect to see a relative reduction in sales and marketing costs as a percentage of operating revenue.”</p>	30% of revenue investment into sales & marketing

# WELL POSITIONED

FY17 markets & revenue component	Today
Electric Utility and Communications market, via IKE 4	Established sales, marketing, integration and delivery teams in place. Quality and depth of sales pipeline increasing. Several factors in the U.S. provide a market tailwind, driving more & more infrastructure owners and third parties to have the need to measure and model distribution structures: such as communications fibre roll-out and regulation.
Signage and new markets, via Spike	Distribution channels, product & brand recognition developing quickly in the Signage market in the U.S., and emerging in Europe. Opportunity for larger enterprise sales in FY17. New vertical market opportunities provide upside potential, such as insurance and real estate verticals.
Construction and Contractor market, via Stanley Smart Measure Pro	Sales in North America via Lowe's at around 1,000 units per week. Orders received for launch into new European markets: UK, Germany and France, for delivery through 1H FY17. Still early in selling-through the high margin, add-on cloud subscription services
Contract revenue	In-Q-Tel backed development contract for U.S. intelligence customers will be complete Q1 FY17. Favourable initial response to the product from various government end-users. Next step is to target Spike for wider product acquisition programmes later in FY17, FY18 & FY19.

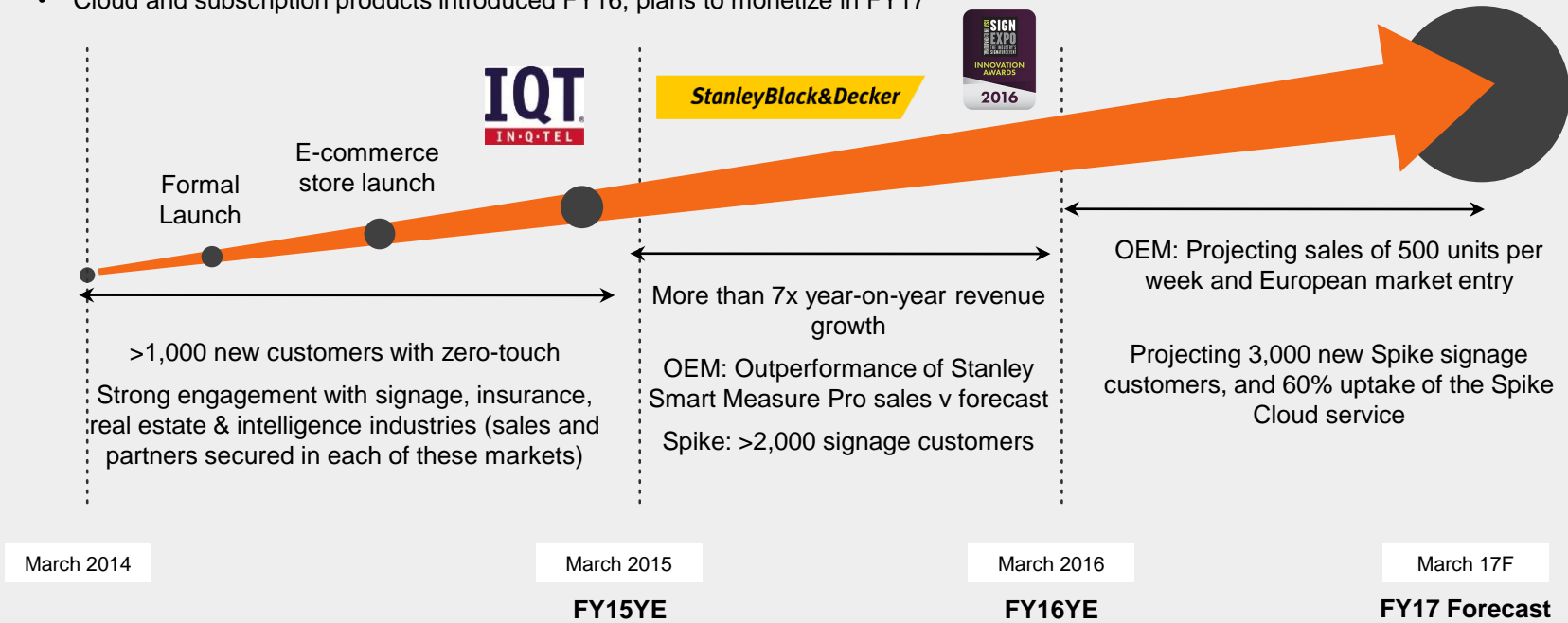
# IKE 4 SALES MOMEMTUM

- Sales of the electric utility solution up almost 50% against PCP
- Major customer wins including first \$1m+ account
  - Total addressable market estimated at \$700m
- Delivering more value
  - Scalable cloud offering introduced in FY16 to drive subscription revenues in FY17 and beyond
  - Additional product features introduced, expected to almost double the value and total cost of ownership for a customer over three years



# MOBILE SOLUTION SALES MOMENTUM

- Stanley Smart Measure Pro
- Spike being rapidly adopted across the signage market
  - Total addressable market estimated at \$300-500m
- Initial sales beginning into other verticals such as real estate, insurance and government markets
- Cloud and subscription products introduced FY16, plans to monetize in FY17





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**THANKS**

