



# IKE Performance Update for the Q4 and FY24 Period to 31 March 2024

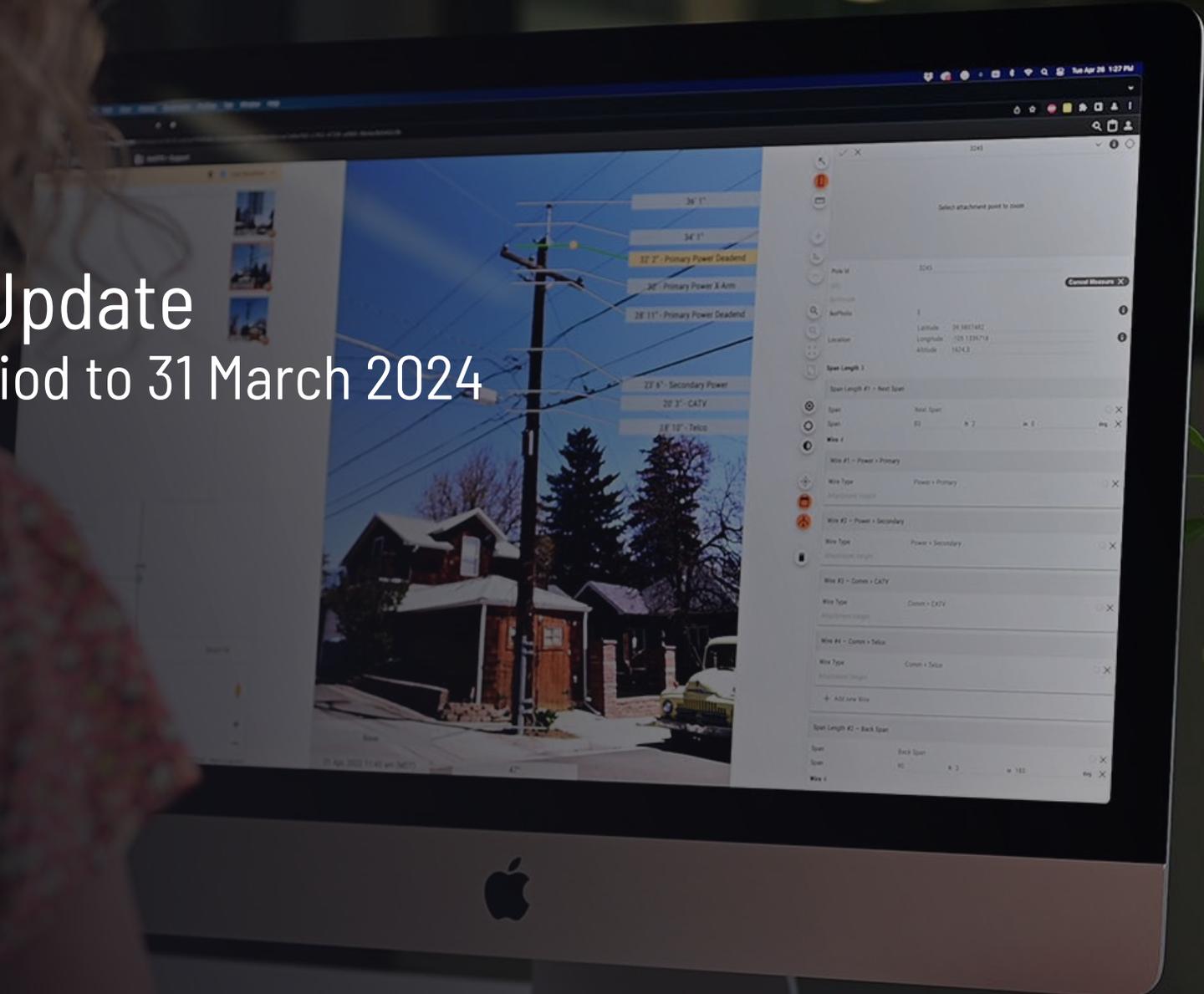
We're IKE, the Pole OS™ Company

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April 2024

CONFIDENTIAL





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# Agenda

Q4 and FY24 performance headlines (unaudited)

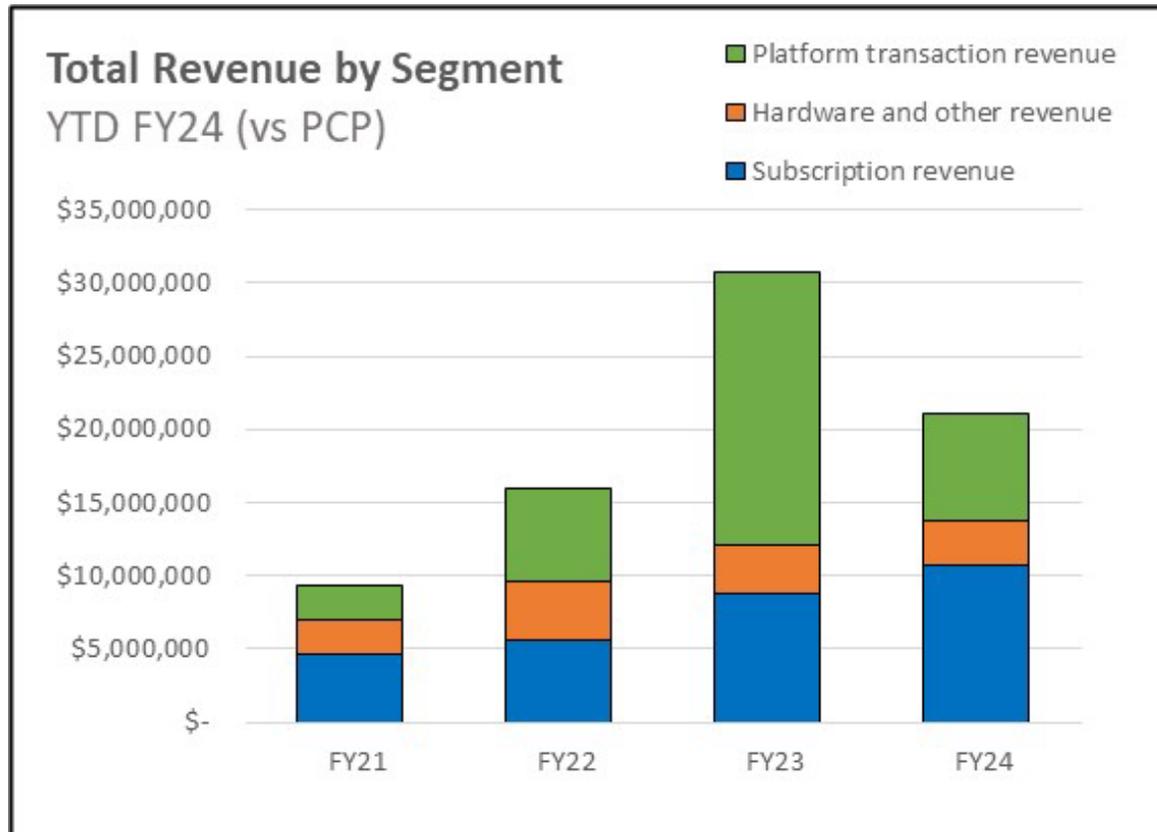
New SaaS Product Updates

Addressable market and IKE's value proposition

Q&A



# Revenue FY24 of ~\$21.1m (-31% pcp)

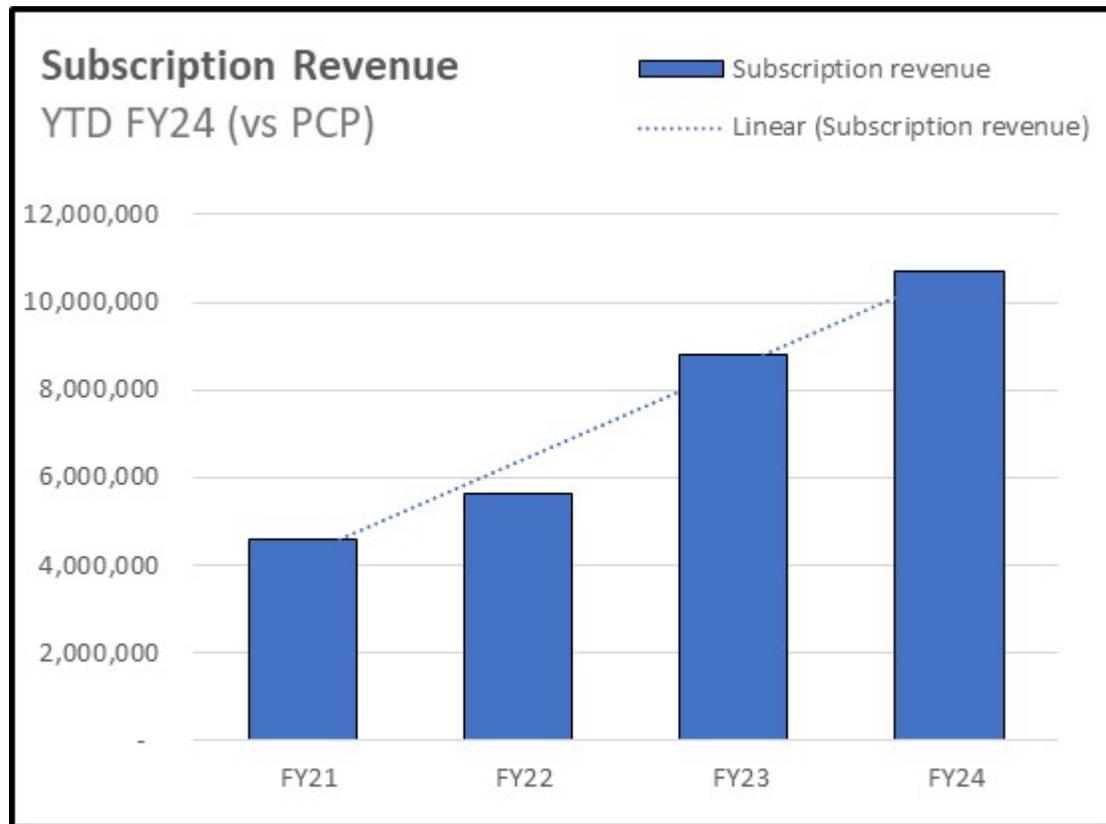


## Takeaways:

- Three-year revenue CAGR of 31%
- Recurring subscription and reoccurring transaction revenues (shown by the green and blue segments in this chart) dominate IKE's revenue mix, at 86% for FY24.
- An expectation for healthy growth in the FY25 period.



# Subscription revenue growth has continued to be consistently strong (+22% pcp)

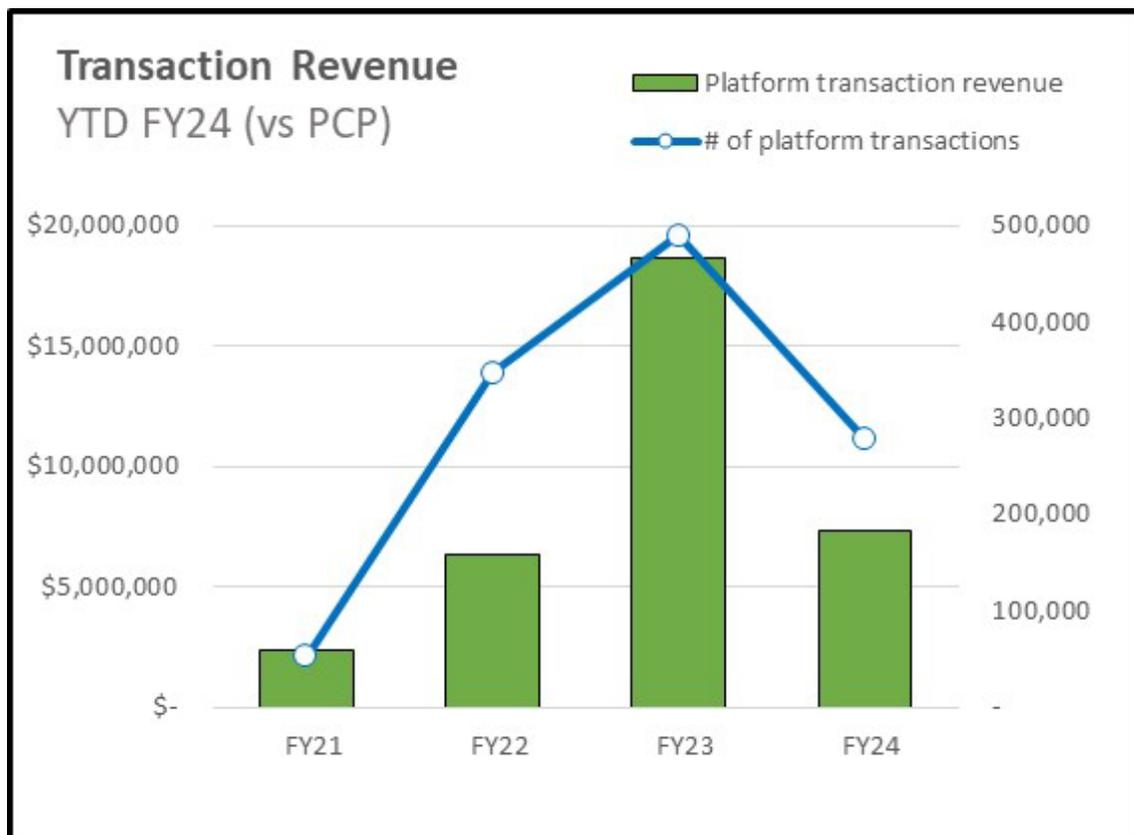


## Takeaways:

- Significant growth in underlying subscription revenue.
- Three-year subscription revenue CAGR of 33%.
- During FY25, this is expected to increase materially, and by greater than 50%, due partially to the successful Q3 launch & Q4 sell-through of IKE's next-generation IKE PoleForeman product.
- IKE PoleForeman contracts closed in Q4 do not significantly impact recognized revenue in FY24 but will materially lift revenue in FY25. Total TCv to date from 42 customers is greater than NZ\$8m.



But transaction revenue down vs pcp (-61% pcp)



### Takeaways:

- Three-year transaction revenue CAGR of 47%, but 61% lower in FY24 vs pcp due to FY23 seeing outsize customer growth and activity.
- Based on guidance from long-term customers IKE expects transaction volumes and associated revenue to build into FY25.



# FY24 Key Metrics

	FY24	FY 23	% Change
<b>Total Revenue</b>	\$21.1M	\$30.8m	-31%
<b>Platform Transactions</b>			
# of Billable Transactions	279K	490K	-43%
Platform Transaction Revenue	\$7.3M	\$18.7m	-61%
Gross Margin	\$1.8M	\$7.2m	-76%
Gross Margin %	24%	39%	
<b>Platform Subscriptions</b>			
Total # of Subscription Customers	395	367	+8%
Platform Subscription Revenue	\$10.7M	\$8.8m	+22%
Gross Margin	\$9.2M	\$7.7m	+20%
Gross Margin %	86%	88%	
<b>Hardware &amp; Other</b>			
Hardware & Services Revenue	\$3.1M	\$3.3m	-9%
Gross Margin	\$1.7M	\$1.5m	+11%
Gross Margin %	56%	45%	

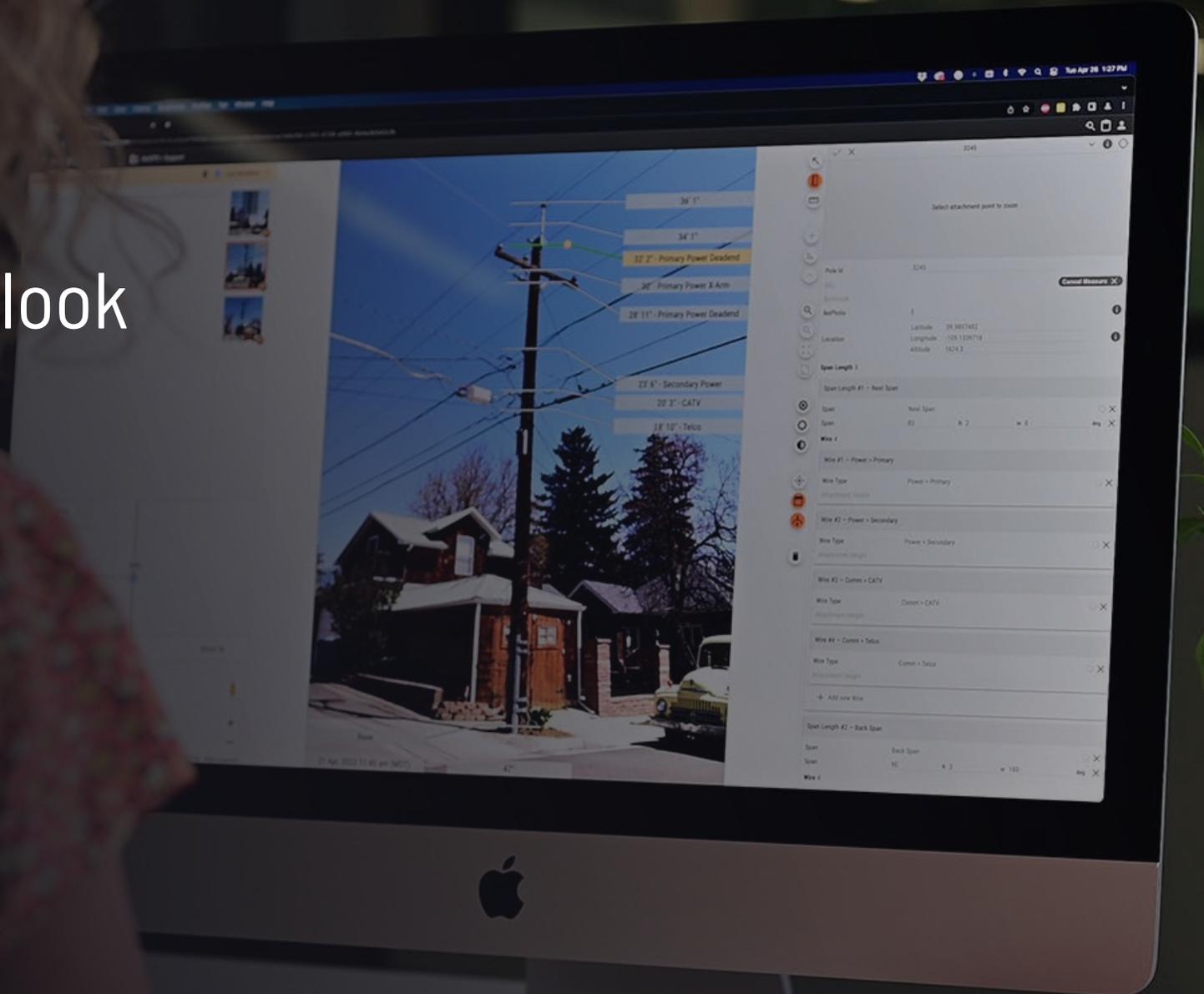
### Customer Number Reconciliation:

- Since 31 December 2023 IKE has changed its reporting of customer numbers from 'All Enterprise Customers' to 'Subscription Customers', reflecting only customers with recurring subscription revenue.
- The reconciliation between these two metrics will be reported for the next 4 periods to 31 December 2024. Reconciliation as follows:

Customer Recon	FY 24	FY 23	
Total # of Enterprise Customers	415	379	+9%
Less: Non-Subscription Customers	(20)	(12)	+67%
Total # of Subscription Customers	395	367	+8%



# Q4 Update and Outlook



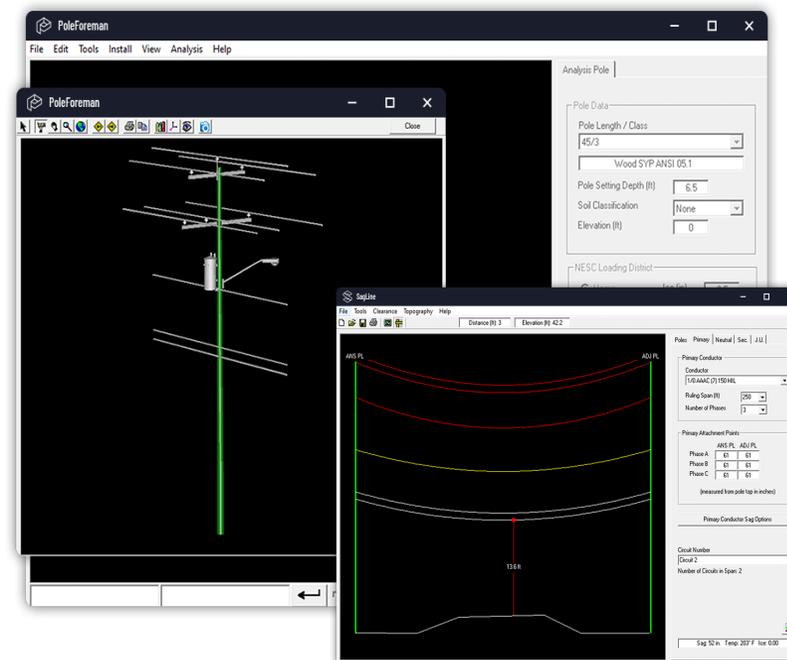


# New Products to Market

Next-gen structural analysis SaaS product released Q3. Successful sell-through Q4.  
>NZ\$8m TCV to date from 42 customers – new & existing.

Sales highlights for our IKE PoleForeman product have included:

- Total Contract Value (TCV) won has exceeded \$8m from mostly tier-1 electric utilities in the U.S. market.
- In total ~42 customers have subscribed to the platform, of which 23 were existing customers and 19 are new, including one of the 10 largest electric utilities in the U.S.
- IKE expects further major customers to close in the near term and that IKE PoleForeman will ultimately be the standard for structural analysis in eight of the ten largest electric utilities in North America.
- Over the coming years, the above long-term customer commitments are estimated to translate to more than 2,500 distribution engineers across this customer footprint using IKE PoleForeman's advanced capabilities for network design.



# New Products to Market continued...

New SaaS product for the Signage industry launched, called Spike SignPilot. [www.sign-pilot.com](http://www.sign-pilot.com)  
Leveraging a footprint of more than 5,000 signage businesses using IKE's Spike hardware device in the U.S. for site surveys.



Launched: **Orlando**



**1.2 Million Surveys**

Over ten years for the sign and graphics industry



**5,000**

Sign professionals chose Spike for their sign projects







Sign Site Surveys, Done Smarter!

## Spike SignPilot

Your Site Survey Management Solution built for the Sign Industry by the Sign Industry



**6 Steps** to **Better surveys**

- Existing Sign Audit
- Electrical Assessment
- Permitting Assessment
- General Audit
- Photos & Measurements
- Elevation & Site Plan

**\$50k to \$75k**

The average loss to a sign shop per year due to incomplete site surveys

Accelerator program

**\$505m**

Total annual cost to the sign industry due to site survey inaccuracies

**Better Surveys**

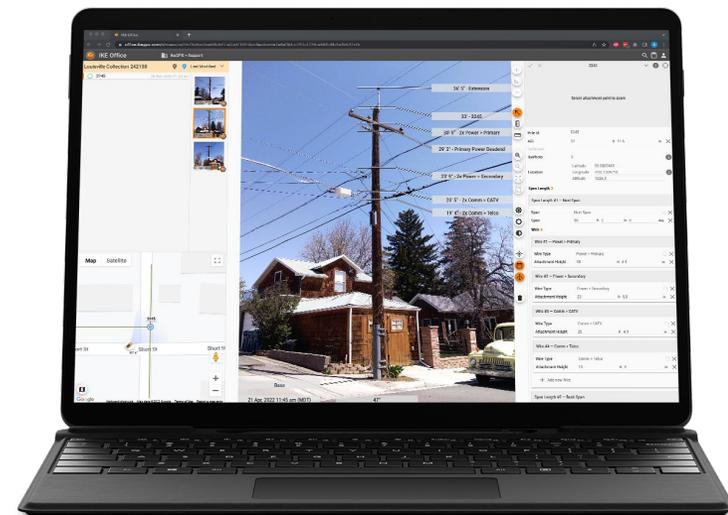
- For: **Sign Shop Owners**
- For: **Sales and Install Teams**



# FY25 Outlook

Expectation for >50% growth in subscription revenue. And an expectation for growth in transaction revenue .

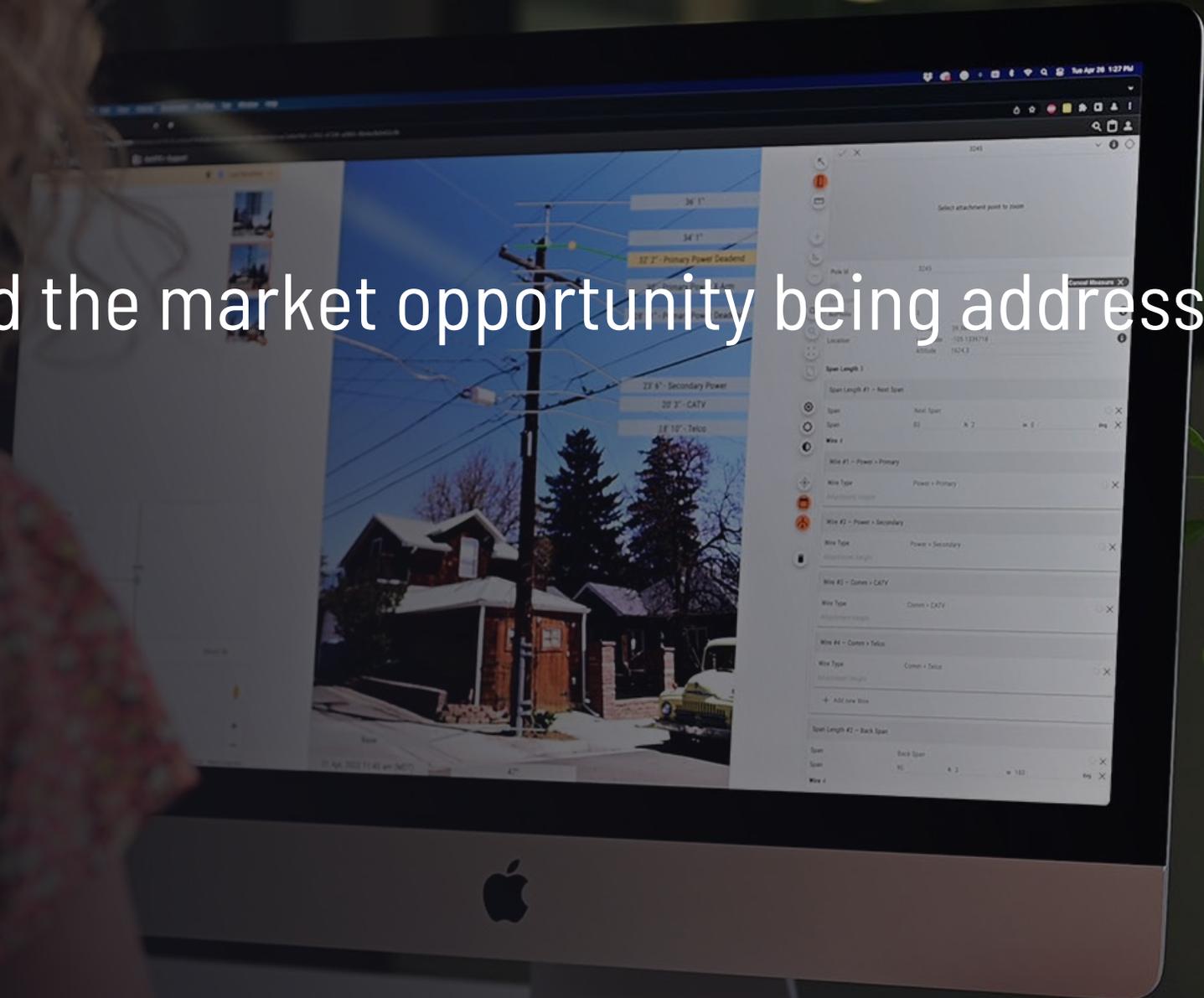
- Subscription revenue expected to grow at 50% or greater vs pcp to ~\$16m per annum or greater. Based on
  - the ongoing growth of our core IKE Office Pro subscription product (>30% CAGR over the past three years) and with ~95% customer retention.
  - the sell-through of our new IKE PoleForeman product with more than NZ\$8m of TCV closed since its Q3 launch.
- Transaction revenue expected to grow, but with a wide range of potential growth profiles and as such represents higher risk – both upside and downside.
- Overall, IKE closed ~NZ\$27m of contracts in the FY24 period, against approximately NZ\$21m of recognized revenue.
- The sales pipeline for new business is strong and growing.
- IKE won 59 new subscription customers in the U.S. market over the past year, continuing a win rate of approximately one new customer per week.
- Macro-market tailwinds across the electric utility and communications market in North America remain highly supportive of the productivity products that IKE delivers.





# What IKE does, and the market opportunity being addressed

Product and Market re-cap



# IKE has a Suite of Distribution Network Software Products

Built to address distribution network problems in North America, as The PoleOS™ Company



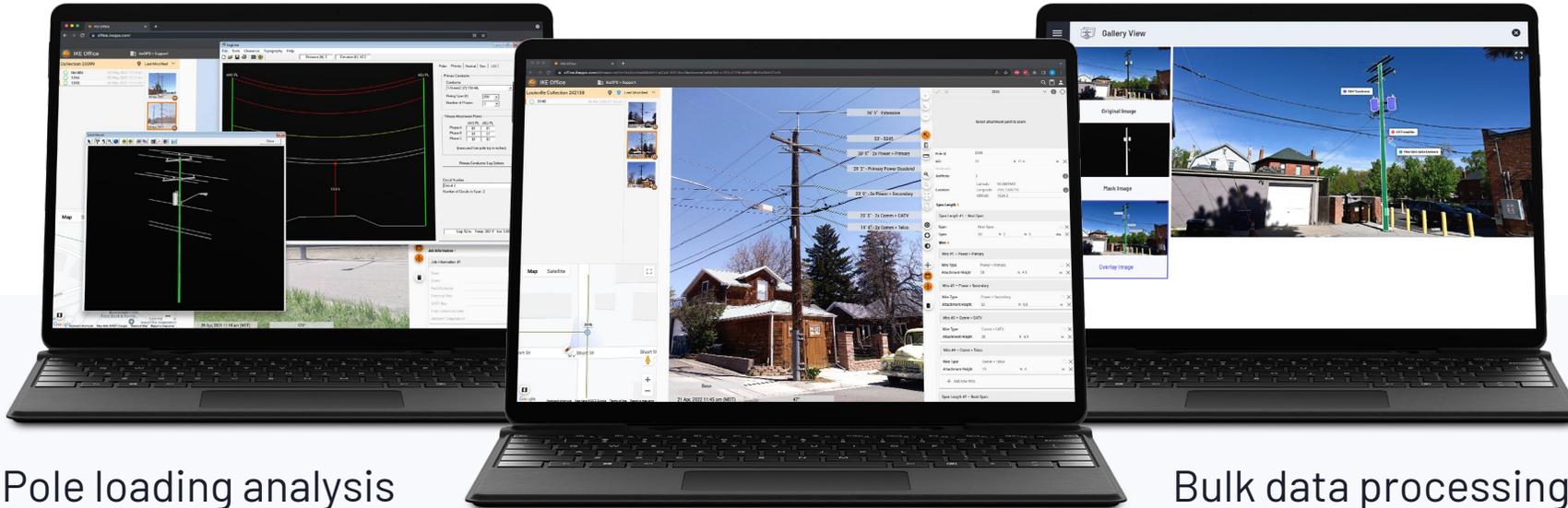
IKE Structural



IKE Office Pro



IKE Insight



Pole loading analysis and structural design

Digitization of network assessment

Bulk data processing for distribution network decision making

## Business model upshot

- A recurring Subscription to access any IKE Solution
- Additive, reoccurring revenue based on usage (license seats or transactions)
- Optional value-added products , such as IKE Analyze (driving transaction revenue) and training & education via IKE University



IKE Analyze

Technology & automation driven capability to accelerate engineering



# More than 3,000 electric utilities and 200M distribution assets across the U.S. **Investing in decades-long grid resiliency and grid capacity programs**

## Facing common challenges

- Grid resiliency requirements
- Grid capacity requirements
- Significant legal liability risks
- Regulatory and Engineering code compliance
- An ageing workforce, requiring tech vs more people

**IKE products dramatically improve the engineering design & maintenance process**

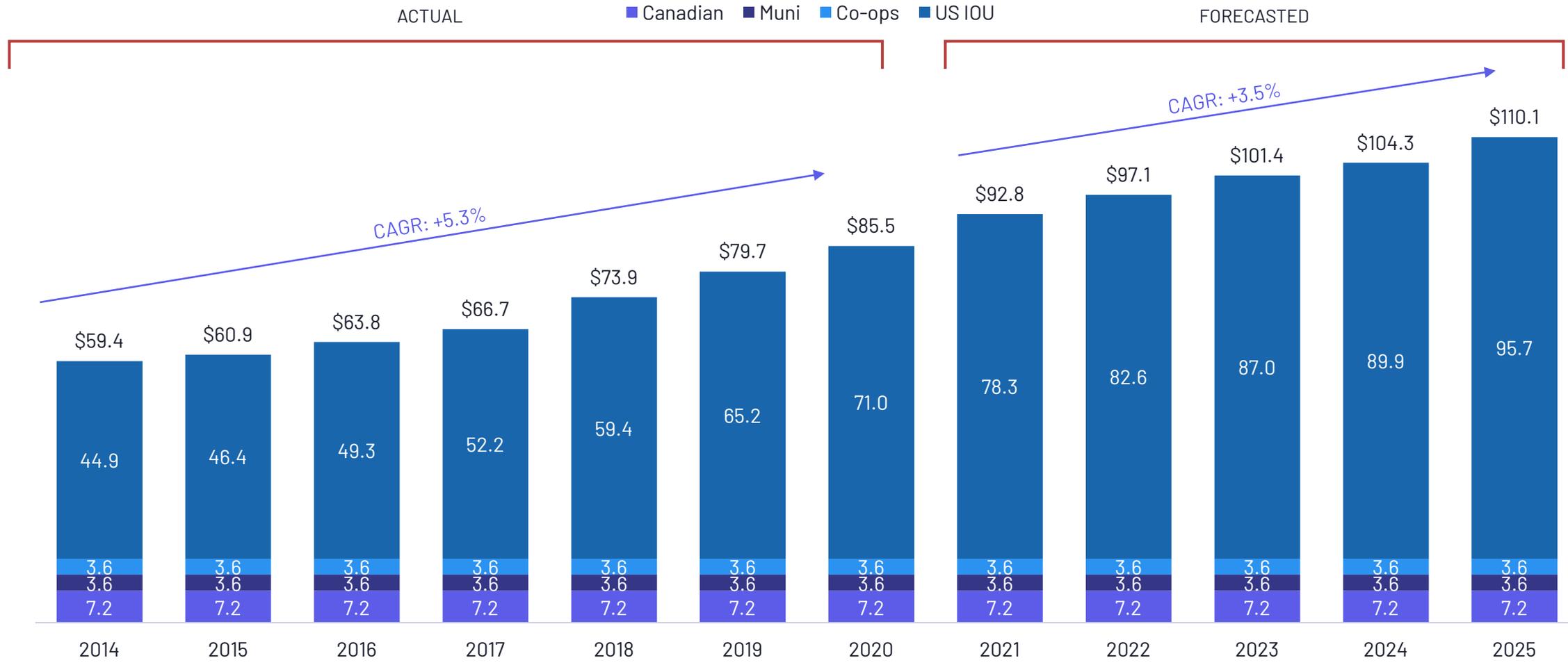


# 25-year Macro-Market Tail Wind for Grid Resiliency & Expansion (\$B's)

An Electric Utility Industry, Spending 100's of Billions, in Need for Productivity Solutions, such as IKE

\$NZD in B

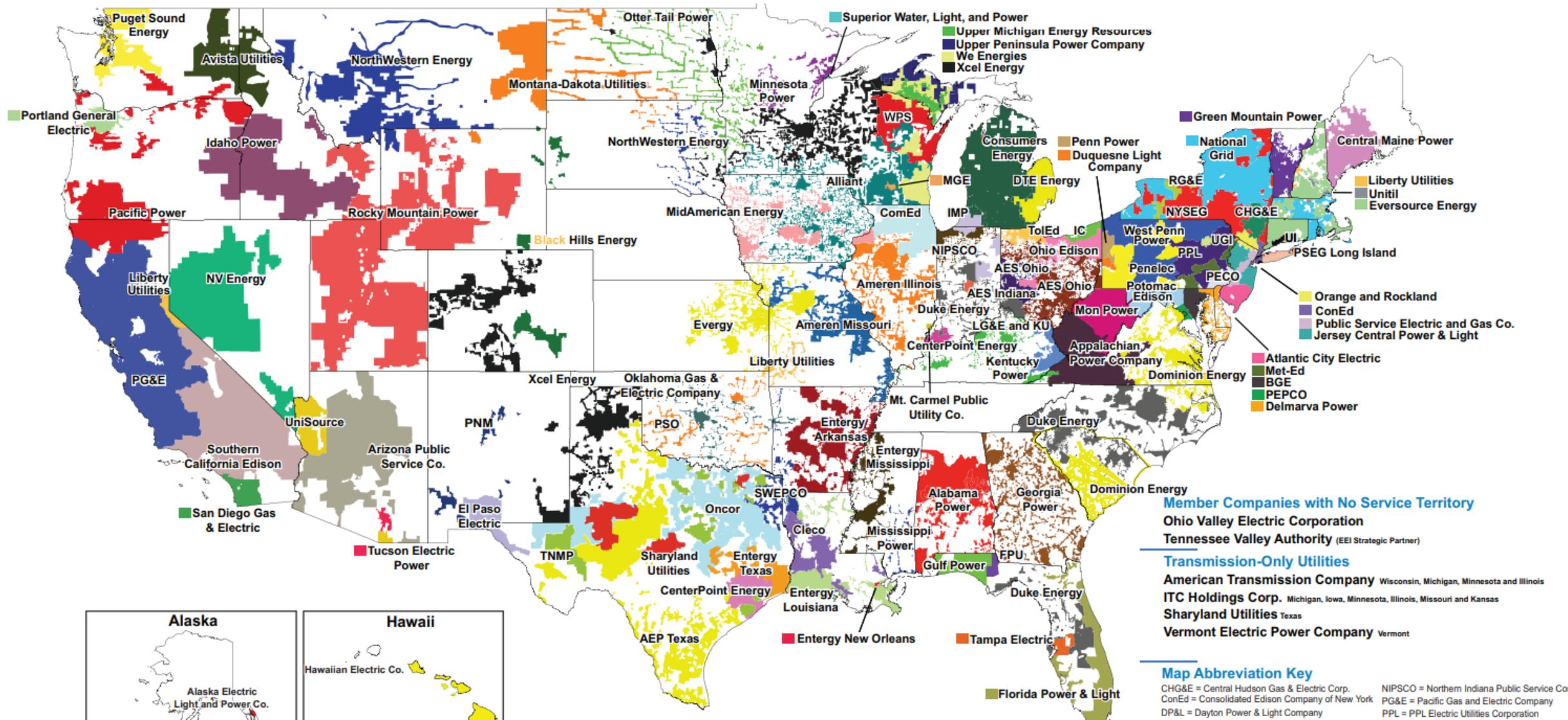
## U.S. AND CANADIAN ELECTRIC DISTRIBUTION CAPITAL EXPENDITURES





# Where IKE sells: U.S. Market-Map of Investor-Owned Utilities (multi- $\$$ B companies)

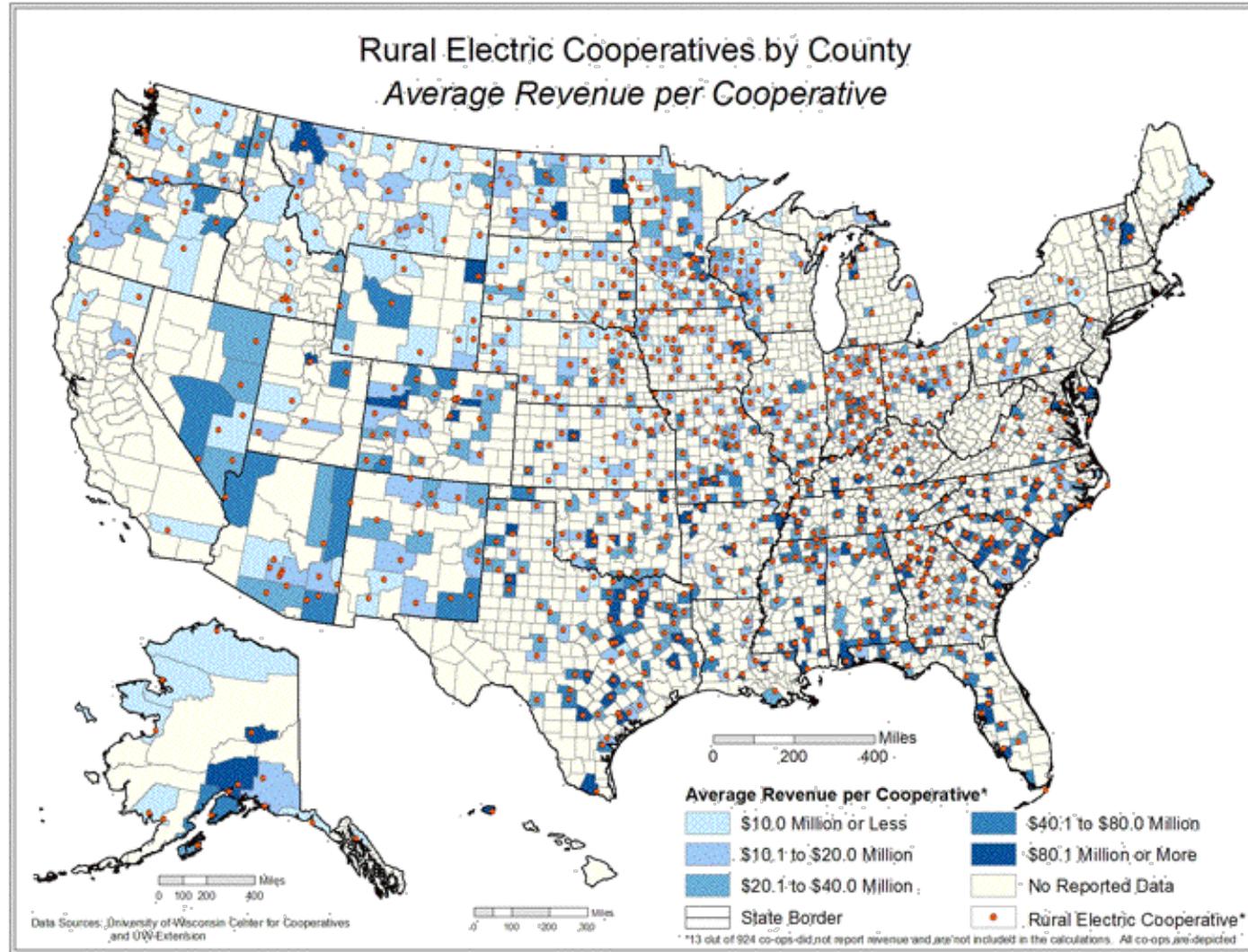
A huge expansion opportunity.....





# Plus >2,800 Municipalities and Co-Operatives

All of which represent sales opportunities for IKE products



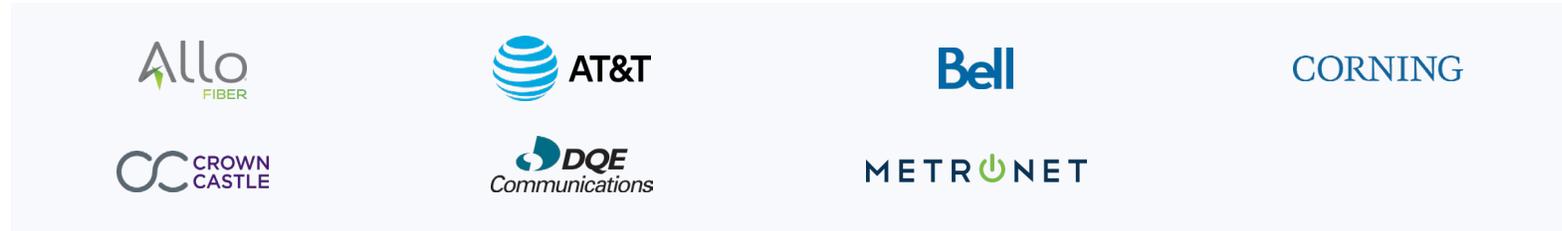
## Takeaways

- Market timing is everything
- IKE is in the right place, at the right time, and with the right technology, team and execution capability
- Today, IKE has a presence in approximately 6% of addressable customers, but is estimated to be only 20% penetrated. So an opportunity to:
  - Develop an additional 80% revenue per annum from the existing customer footprint as 'White Space' via cross-sell and up-sell, **plus to**
  - Sell to the other 94% of the market via 'Green Field' new logo opportunities

# 8 of the 10 largest Investor-Owned Utilities have standardized on an IKE product

## IKE Lands-then-Expands

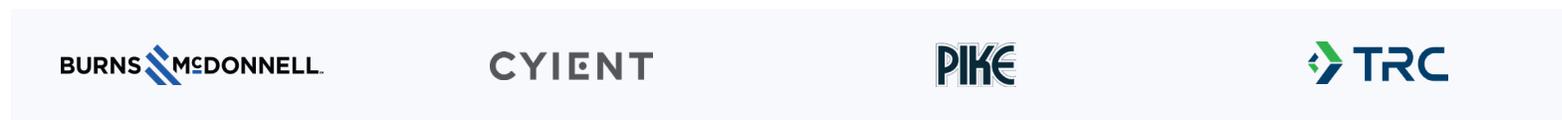
### Communications



### Electric Utilities



### Engineering & Project Management



### Takeaways

- 8 of the 10 largest Investor-Owned Utilities (“IOUs”) in North America, all multi-billion dollar businesses
- >400 customers in North America, with 59 new logos added in FY24 or approx. 1 per week in FY24 YTD
- **>5,000 enterprise target accounts to pursue overall**

### Opportunities to:

- Grow, upsell and cross-sell IKE products into existing customer base
- Win new logos in the North American market
- Expand into international markets



# IKE solutions make fiber and 5G network deployments faster

- >\$300B expected investment into fiber network development in the U.S over next 5+ years
- >\$50B expected investment into 5G network development in the U.S. over the next 5+ years
- An additional >\$60B expected investment into rural broadband development as part of the Biden administrations new Infrastructure bill
- >200 Communications companies competing to build a networks and win underlying customers
- >2,000 engineering service providers supporting network development

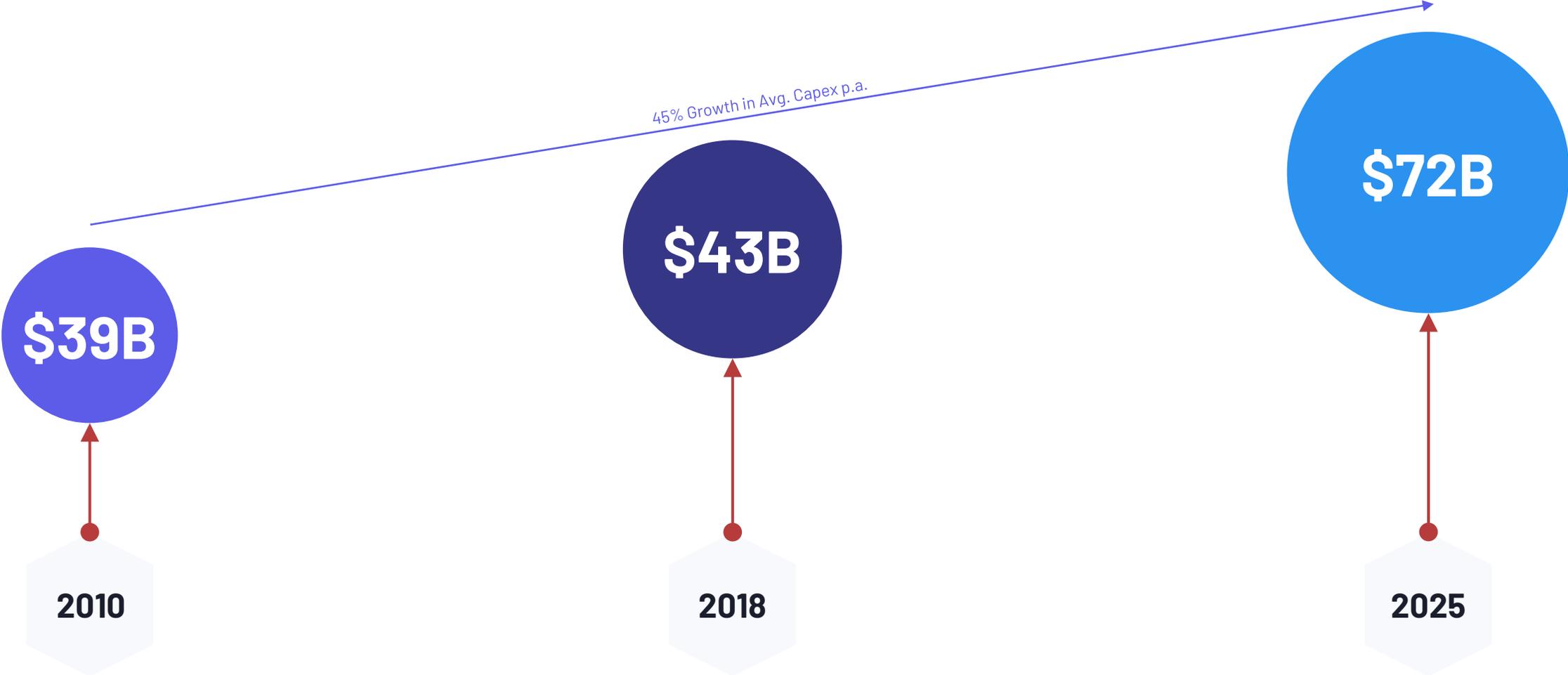
**IKE dramatically speeds up the network deployment process.**



# Fiber and 5G Investment Super-Cycle in North America Still In Its Early Stages

PROJECTED INVESTMENTS INTO 5G & FIBER OPTIC INFRASTRUCTURE

\$NZD



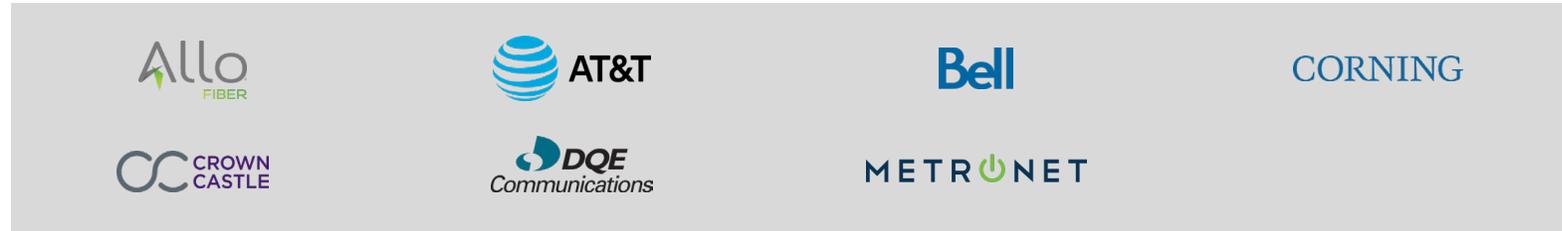
Source: Bell Potter Initiation of Coverage Report, GSMA, American Tower  
Note: Labeled Capex Figures reflect Houlihan Lokey Estimates



# Some of the largest U.S. Communication groups have Standardized on IKE

## And a growing footprint of tier-2 fiber businesses

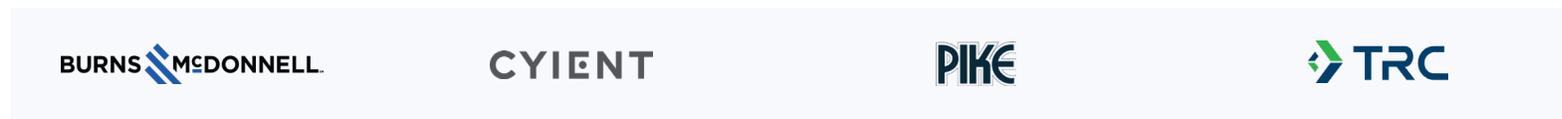
### Communications



### Electric Utilities



### Engineering & Project Management



### Takeaways

- Several of the largest comms group in North America: AT&T (\$107B), Crown Castle (\$39B), Bell Canada (\$47B)
- A growing footprint of the tier-2 fiber companies

### Opportunities to:

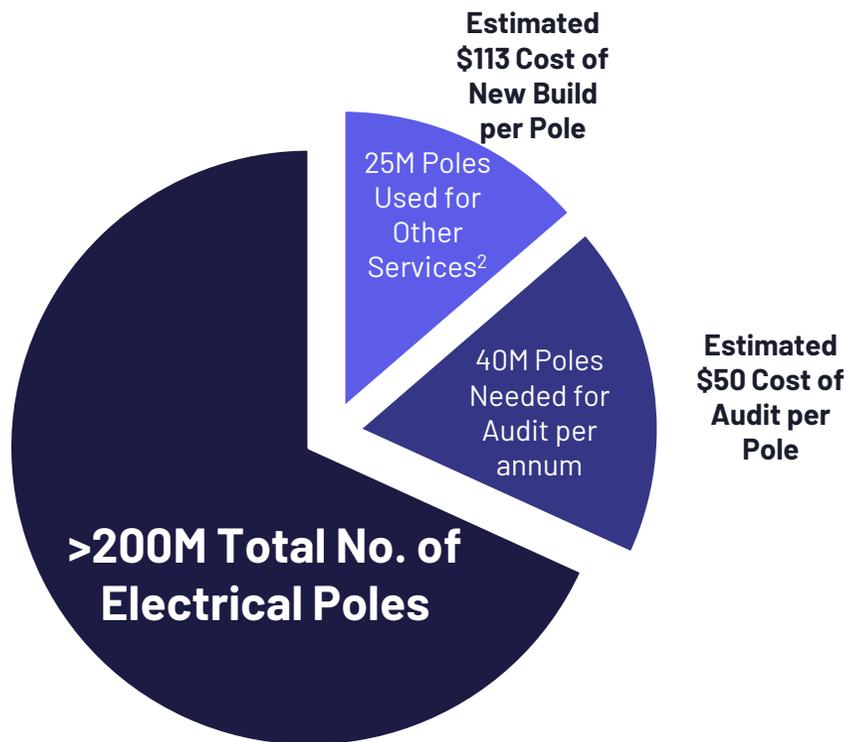
- Grow, upsell and cross-sell IKE products into existing customer base
- Win new logos in the North American market
- Expand into international markets over time



# Overall.. a Large Addressable Market Opportunity That is Expected to Grow

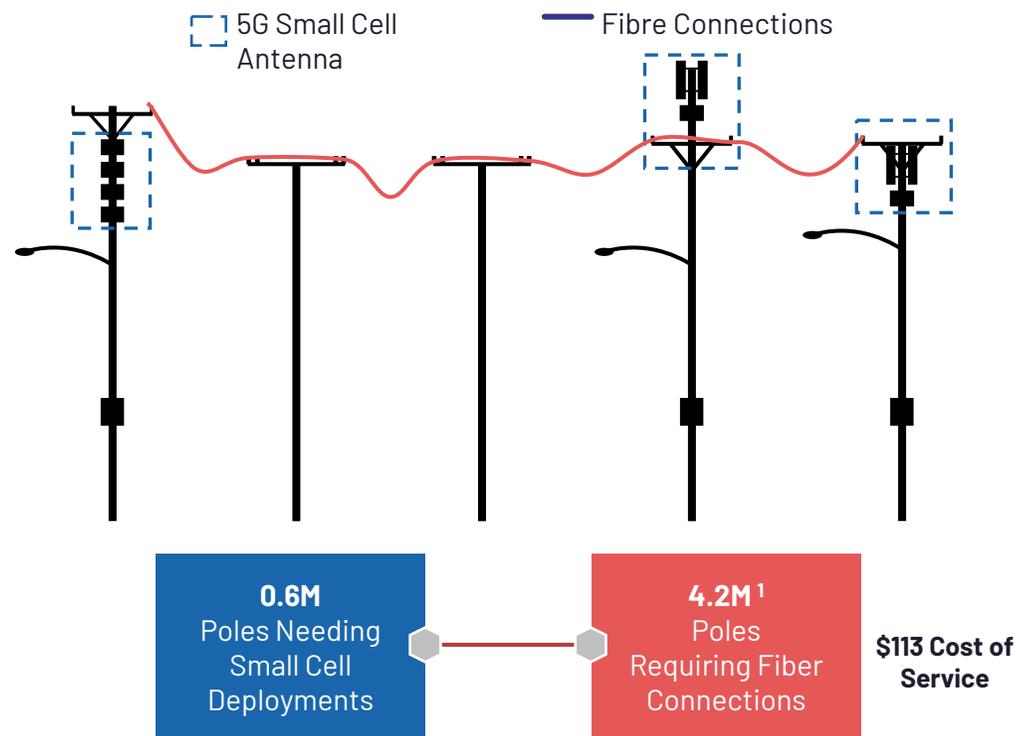
## Utilities

\$NZD



## 5G and Fibre

\$NZD



**\$4.8B Electric Utilities Opportunity**

**\$5.4B TAM**

**\$550M Fiber / 5G Market Opportunity**

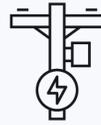
(1) Assumed 80% discount rate on range of fibre deployments  
 (2) Other services include design planning, grid hardening/resiliency programs, NESC violations, joint use attachment audit, billing audits, etc.  
 Source: Management Estimates, Bell Potter Initiation of Coverage Report, Houlihan Lokey Estimates  
 Note: Market analysis does not include opportunity that will arise from growth of pole infrastructure



# Market Tailwinds Over the Coming Decades



Requirement for harder and higher capacity distribution power networks across all of North America



**>3,200**

Electric Utilities in North America with long-term, recurring distribution network hardening, joint use, and capacity needs for electrical distribution

7+ year macro-market tailwind of fiber deployment, much of it engineered on distribution power poles



**>\$350B**

Investment forecast in fiber in the US by 2025, representing >30M attachments; communications infrastructure providers seeking partners to manage new fiber attachments for every pole

Small Cell Deployments across North America, much of it engineered on distribution power poles



**800,000+**

Small cell site expansions are expected by 2025 as communications infrastructure providers look to speed up 5G rollout while reducing cost and time of deployment

Infrastructure development via Engineering Service Providers



**>1,000**

Engineering Service Providers in the US subcontracted by telecom and utilities providers to assist in infrastructure development and deployment

Massive engineering requirements for an evolving distribution network supporting an increase in global consumption of electricity



**50%+**

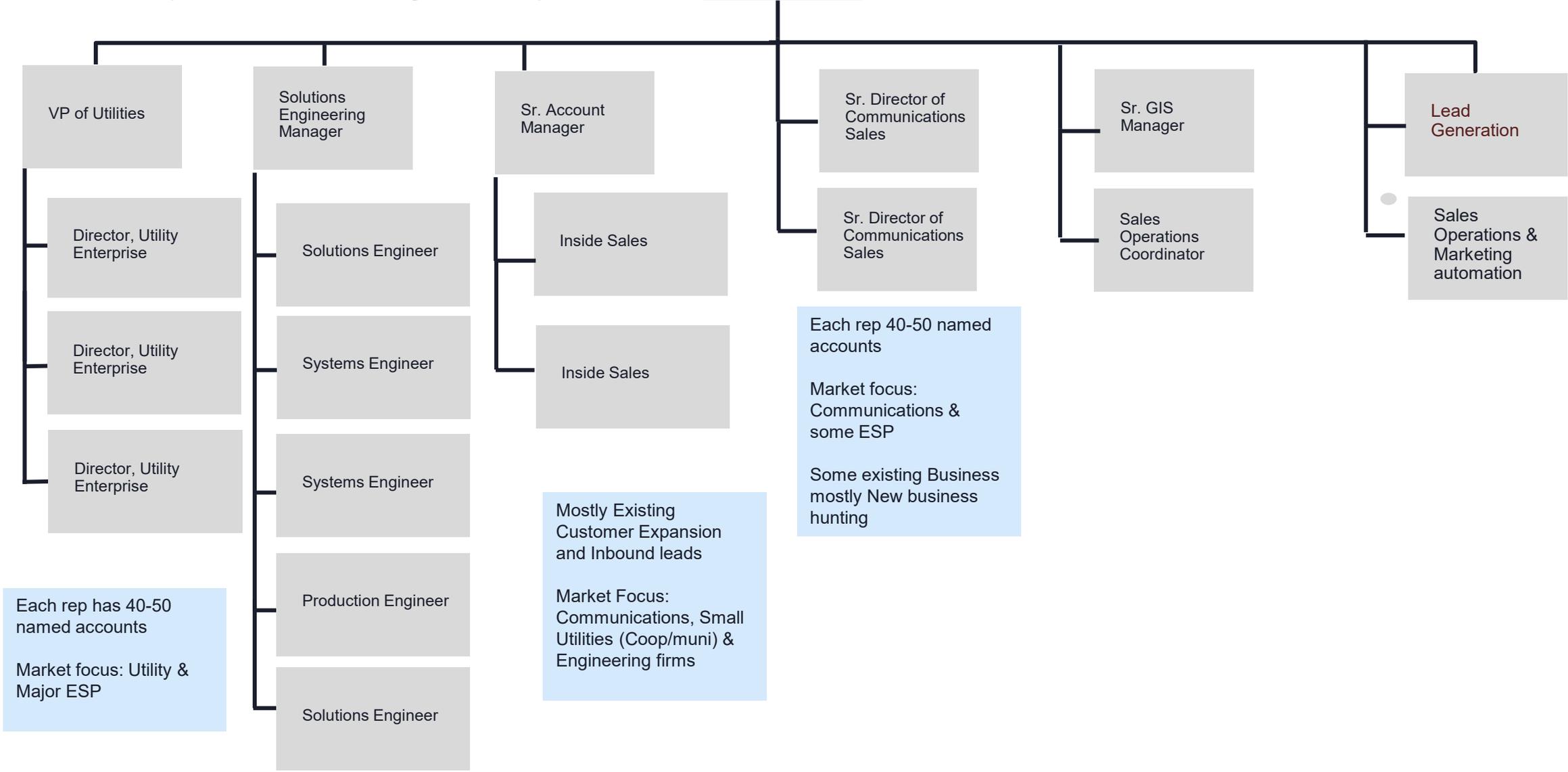
Of US energy consumption will be comprised of electricity on the distribution grid by 2050 to attain carbon net zero targets, and power the new EV market, compared to current levels of just 20% = engineering requirements to build capacity on the network.



# Today, IKE Goes to Market Directly

With a deepened team of segment experts

SVP of Sales



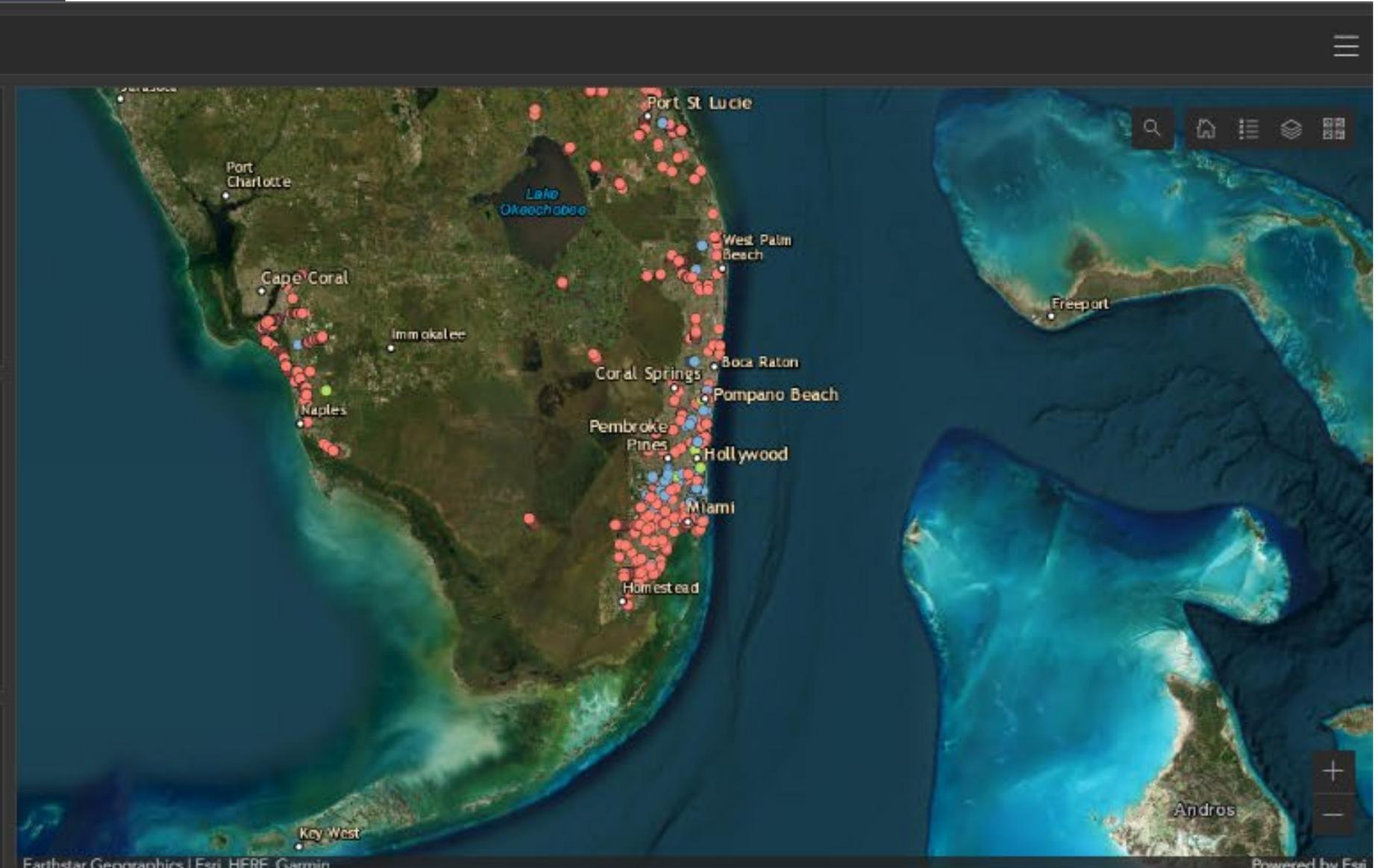
Each rep has 40-50 named accounts  
Market focus: Utility & Major ESP

Mostly Existing Customer Expansion and Inbound leads  
Market Focus: Communications, Small Utilities (Coop/muni) & Engineering firms

Each rep 40-50 named accounts  
Market focus: Communications & some ESP  
Some existing Business mostly New business hunting

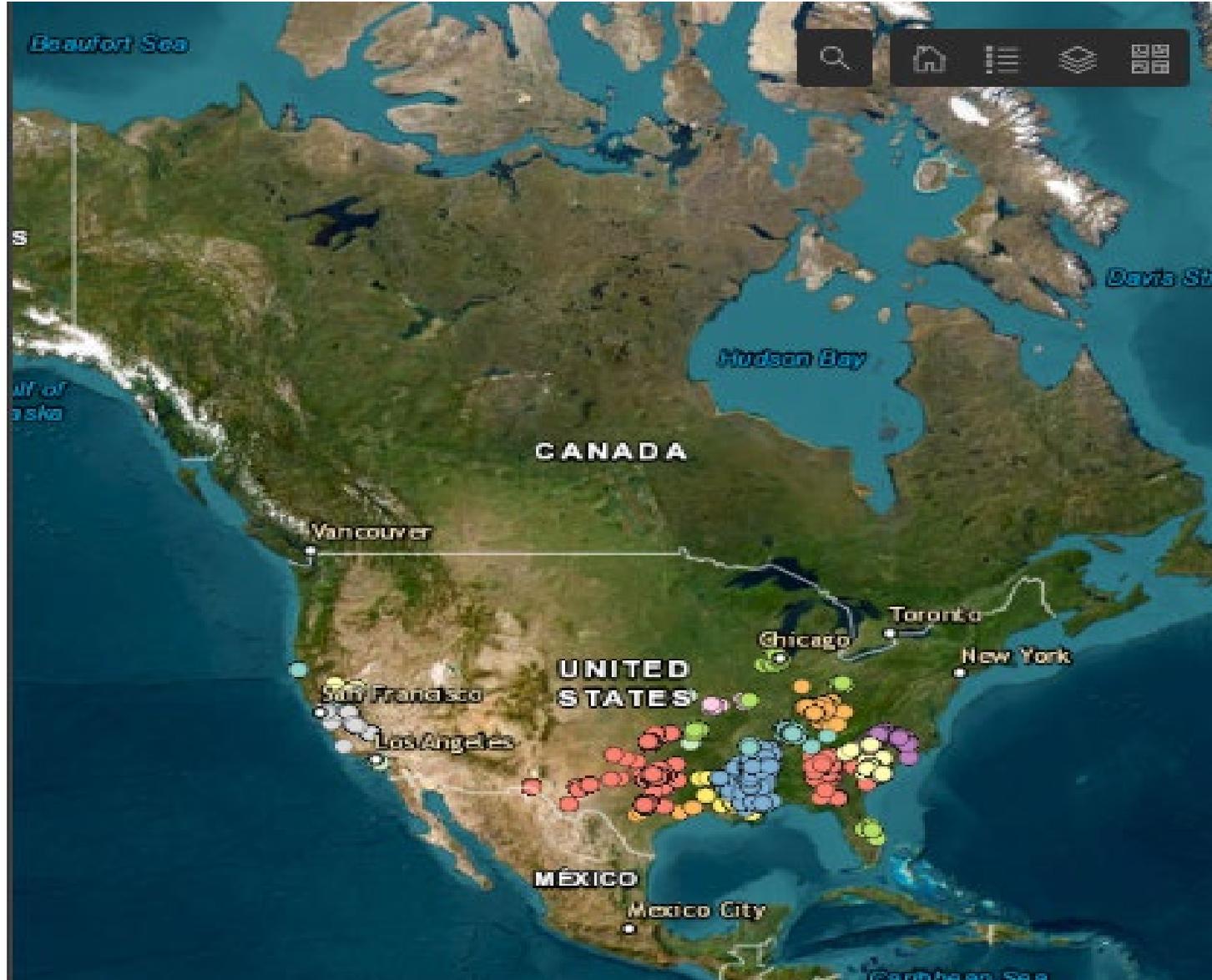


# A Map-View of Usage, and how IKE customers deploy our software Crown Castle in Florida



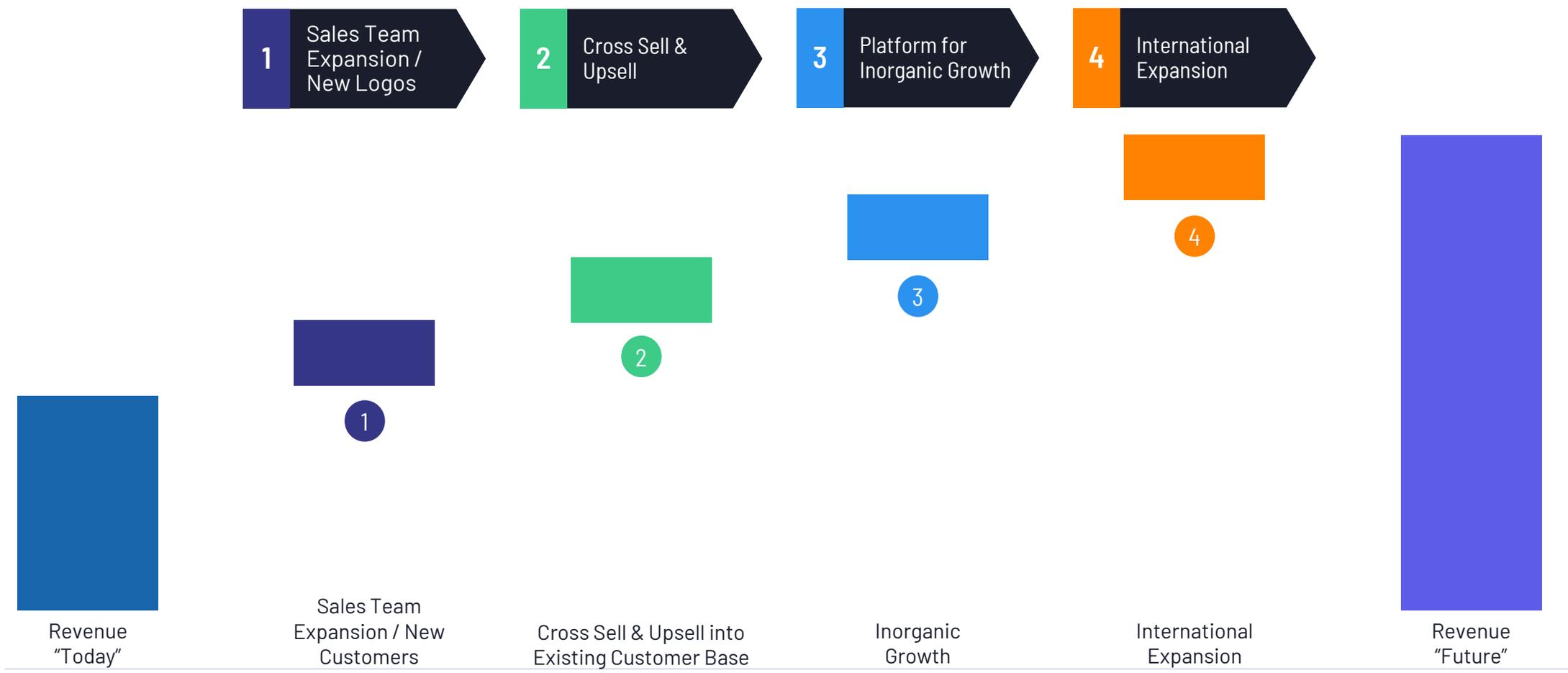


# A map-view of Usage, and how IKE customers deploy our software AT&T in 7 example States





# Multiple Avenues Supporting Future Growth Potential





Thanks

Manaakitanga: We Rise By Lifting Others





## Q&A

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### We're IKE, The PoleOS™ Company

IKE seeks to be the standard for collecting, analyzing and managing pole and outside plant ("OSP") information for electric utilities, communications companies, and their engineering service providers

The IKE platform allows its customers to increase speed, improve quality, and deliver safety in the assessment, construction, and maintenance of distribution poles and other OSP assets

IKE's purpose is Manaakitanga, which means "to rise by lifting others"

