



**AGM PRESENTATION** — FY Ending 31<sup>st</sup> March 2019

**Wednesday - 4th September 2019**

**SRT MARINE SYSTEMS PLC**

[www.srt-marine.com](http://www.srt-marine.com)



# OUR BUSINESS

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Provision of products and systems that deliver maritime domain awareness (MDA) to vessel operators, infrastructure owners and government agencies



# MARKET

## GLOBAL OPPORTUNITY

- 26m vessels – 8m commercial, 18m leisure
- 361m sq km of ocean
- 400,000 km coast lines
- Ports & waterways
- Infrastructure – oil & gas, wind turbines
- Buoys – navigation, monitoring

## STRONG DRIVERS

- Safety
- Social
- Commercial
- Environment
- Security

**New technologies and increasing awareness and relevance of the maritime domain is creating a significant global market**

# SRT TARGET MARKET SEGMENTS



# SRT MARKET POSITION

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- Proven range of products with differentiated functionality.
- Global network of partners and resellers.
- Trusted and established global brand.
- Operational resources to scale and meet demand.



# MARKET & PRODUCTS

## TRANSCEIVERS

AIS anti-collision and identification transceivers



AIS AtoN transceivers and monitoring systems & sensors



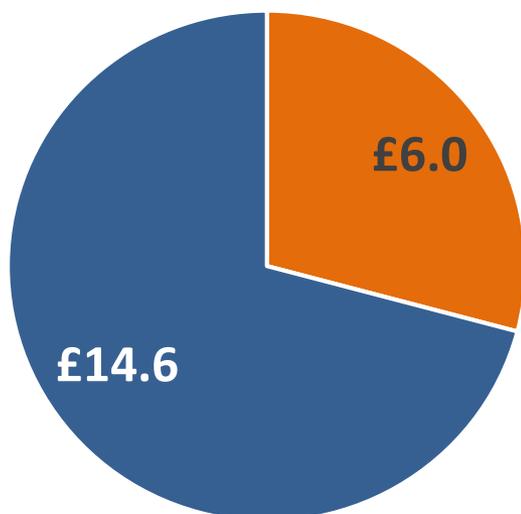
## SYSTEMS

Turn-key integrated maritime surveillance, tracking, management and command and control systems



# FINANCE - OVERVIEW

## Revenues



■ Transceivers ■ Systems

- Significant growth in revenues and profits
- Transceiver business growth of 19% to contribute £6.0m of revenues
- Systems business contributed £14.6m of revenues
- Gross profit margin of 45%
- Raw cash overhead of £6.6m – an 8% year on year increase
- Year end cash of £3.9m with debt of £5.0m and receivables of £18.0m
- Profit before tax of £3.2m

# FINANCE – OVERVIEW

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£000's	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Revenues	8,522	10,684	11,026	5,331	20,559
Gross Profit	4,353	5,168	7,239	2,305	9,329
Admin Costs	4,687	4,848	5,961	6,469	5,877
Operating Profit	(334)	320	1,278	(4,163)	3,452

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# FINANCE - OVERVIEW

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## WORKING CAPITAL:

- Year end cash balance was £3.9m
- £10m loan note program in place with £5.0m drawn down on a 3 year term basis.
- Equity fundraises of £7m during the year.
- System contracts structured to be cash positive.



# TRANSCEIVER BUSINESS



# TRANSCEIVER BUSINESS

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- Standard AIS transceivers for commercial and leisure vessel owners globally.
- SRT OEM & Module – provides product solution for marine electronics brands.
- Em-trak – network of marine electronic dealers and direct web sales to end users.
- New products, greater adoption and increased marketing to drive sales growth.
- Growth opportunities with products such as Buoy-Tracker for fishing buoys – tender tracking for larger private vessels – encrypted devices for blue-light applications



# SYSTEMS BUSINESS

## TURN-KEY SUPPLY & INSTALLATION OF THE SRT 'MDA-SYSTEM'

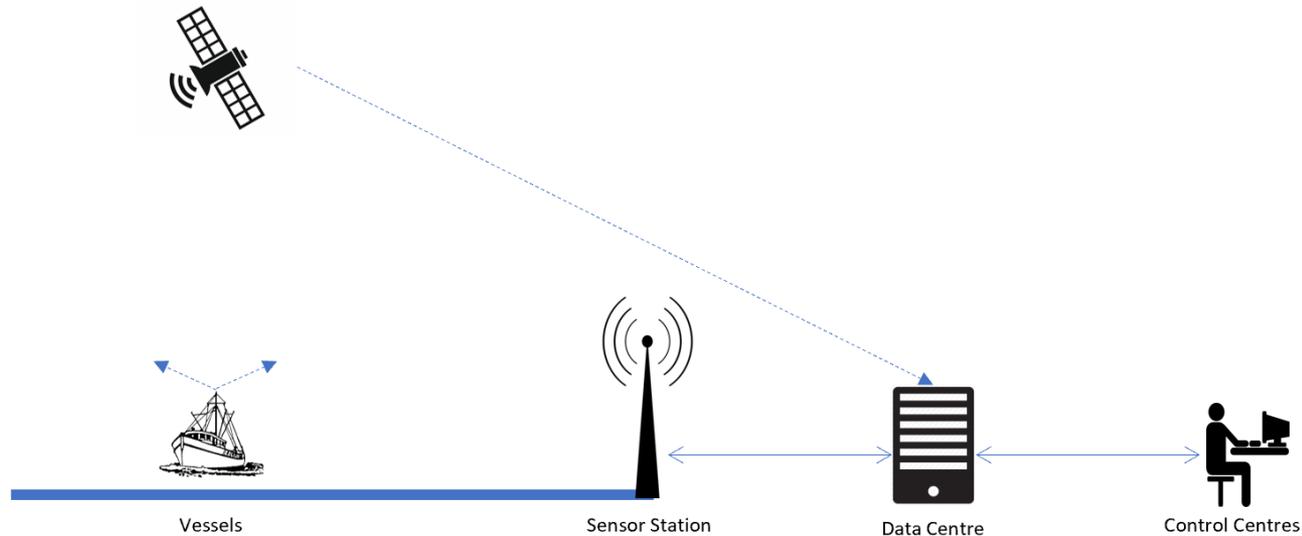


SOFTWARE | HARDWARE | DATA



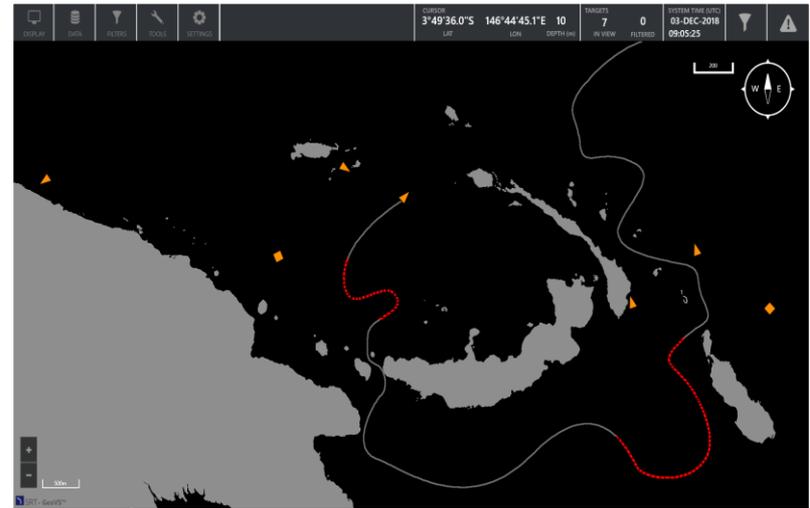
# SYSTEMS BUSINESS

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- SRT developed vessel transceivers, coast stations and GeoVS operating software
- Third party hardware such as radar, PC's, servers
- Satellite monitoring data – AIS, Radar, Optical

# SYSTEMS PROCESS



**Technical  
Consultation**

**Procurement**

**Contracting**

**Installation**

**Data &  
services**



# SYSTEMS PIPELINE SUMMARY

Contracted

**£39m**

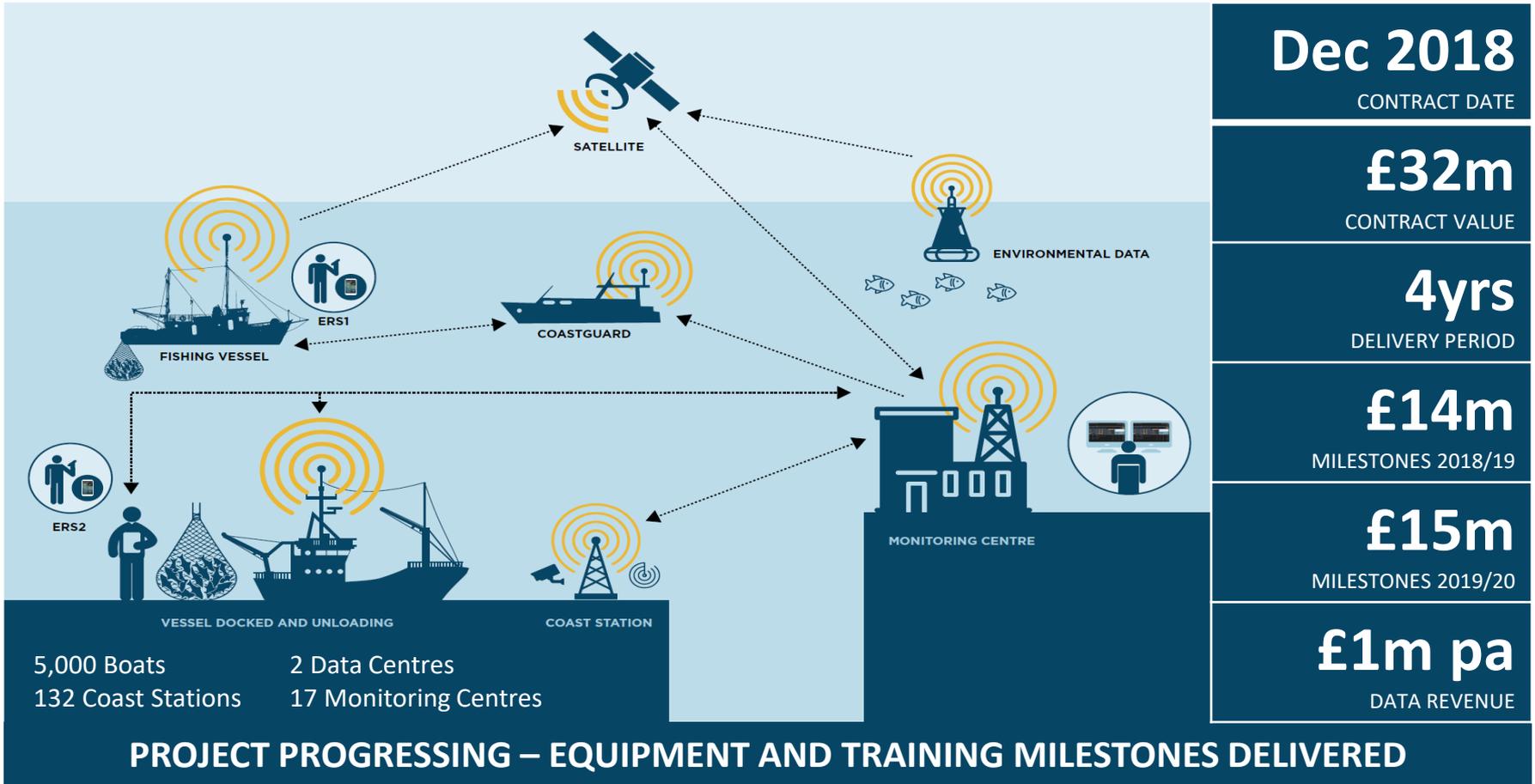
Near term system opportunities **+£220m**

Total validated systems opportunity pipeline **+£414m**

**Multi-Billion Dollar Global MDA Market**



# BFAR, PHILIPPINES IMEMS PHASE II CONTRACT



# BFAR, PHILIPPINES IMEMS PHASE II CONTRACT



**First monitoring centre installed in December 2018**

# SYSTEM OPPORTUNITIES

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- Significant and growing validated pipeline of system opportunities around the world valued at over £400m, of which ~ £220m are in their final stages prior to contracting.
- **ASIA:** Near term system contract opportunities worth an aggregate of up to ~ £150m. Coast Guard and Fisheries.
- **MIDDLE EAST:** Near term system contract opportunities worth an aggregate of up to ~ £70m. Coast Guard.
- Each project has a different deployment and thus revenue pattern. Implementation varies from under one year to up to 3 years.

Due to the nature of government contracts, the exact value and timescales of sales cycles and contracts are entirely out of the control of SRT and liable to change and or cancelation without notice



# SUMMARY

**SRT System – The Philippines**

The screenshot displays the SRT System interface for the Philippines. The top portion shows a map of the Philippines with numerous green markers indicating various points of interest or data points. The bottom portion features a data table with columns for 'Line', 'Type', 'Subtype', 'Status', 'Priority', 'Status', 'Assignment', 'Created', 'Updated on', and 'Description'. The table lists various operational and monitoring zones across different dates and times.

Line	Type	Subtype	Status	Priority	Status	Assignment	Created	Updated on	Description
16	Alert	Off position	000001000	▲	None		15/12/18 13:15:13	15/12/18 13:15:13	Alert to off position
17	Operational	No date		▲	None		15/12/18 13:17:18	15/12/18 13:17:18	All boats assigned
17	Operational	No date		▲	None		15/12/18 13:27:00	15/12/18 13:27:00	All boats assigned
17	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	All boats assigned
18	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Change made changed
21	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	All boats assigned
22	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	All boats assigned
25	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark
26	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	All boats assigned
28	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark
35	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	All boats assigned
36	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark
37	Operational	No date		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	All boats assigned
47	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark
48	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark
49	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark
50	Monitoring Zone	Dark		▲	None		15/12/18 13:43:00	15/12/18 13:43:00	Monitor Dark

**POSITIONED AND PREPARED FOR CONTINUED GROWTH**



# RISK FACTORS

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- ◆ Projects can be subject to delay and significant variability – changes in client personnel, budgets, specifications, financing arrangements etc. Forecasting is very challenging and inherently inaccurate
- ◆ Contracts with foreign government entities are highly variable and can be unilaterally changed and cancelled with no possibility of recourse and or compensation
- ◆ SRT revenue profile is lumpy whereby project deliverables may fall either side of a reporting line causing significant financial performance variances between reporting periods
- ◆ Long lead times on transceivers of up to six months can mean overstocking if demand is variable
- ◆ AIS is an open standard so anyone with the financial and technical resource may develop a product
- ◆ AIS is a complex radio communications technology so challenges can arise with products resulting in significant warranty costs
- ◆ As SRT enters multiple project contracts, project execution risk will become an increasing challenge
- ◆ The global MDA market is highly fragmented and market data often variable and incomplete and thus market size, trend and timing data may be significantly inaccurate



# Disclaimer

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- ◆ This presentation contains forward-looking statements and market information which may relate to the future financial performance of SRT Marine Systems plc. All such statements made in this presentation are based on current expectations, available information and estimates based in part, on assumptions made by management and involve certain risks and uncertainties. Actual results could materially differ due to unexpected and sudden changes and investors should not rely upon the accuracy of any information contained herein. Investors should undertake their own research to validate or otherwise any statements made herein prior to making any investment. SRT plc does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, or for changes made to this document by external parties.

