



CONNEXION™

**AGM presentation**

11th November 2019

19

# Corporate Profile

ASX: **CXZ**

**Shares on issue:** 863,165,112

**Escrowed shares:** 0

**Options:** 0

**Performance rights** 17,000,000

**Market capitalisation:** \$25.03M

at 2.9 cents/share \*

**Cash balance:** \$1,957,968

at 30<sup>th</sup> October 2019

**Borrowings:** \$0

at 30<sup>th</sup> October 2019

\*Closing share price at 7<sup>th</sup> November 2019

## Board of Directors & Management

<b>Mark Caruso</b>	Chairman
<b>Robert Downey</b>	Non-Executive Director
<b>Aaryn Nania</b>	Non-Executive Director
<b>Peter Torre</b>	Company Secretary
<b>Guy Perkins</b>	Managing Director

## Equity Security Holders

Citicorp Nominees Pty Ltd	168,534,292	19.53%
National Nominees Limited	40,673,160	4.71%
J F Byrnes Super Pty Ltd	25,435,528	2.95%
Mr Ching Khoon Tan	24,611,617	2.85%
Ratio Nominees Pty Ltd	22,000,000	2.55%
<b>Top 5 Shareholders</b>	<b>281,254,597</b>	<b>32.59%</b>

# Who We Are and What We Do

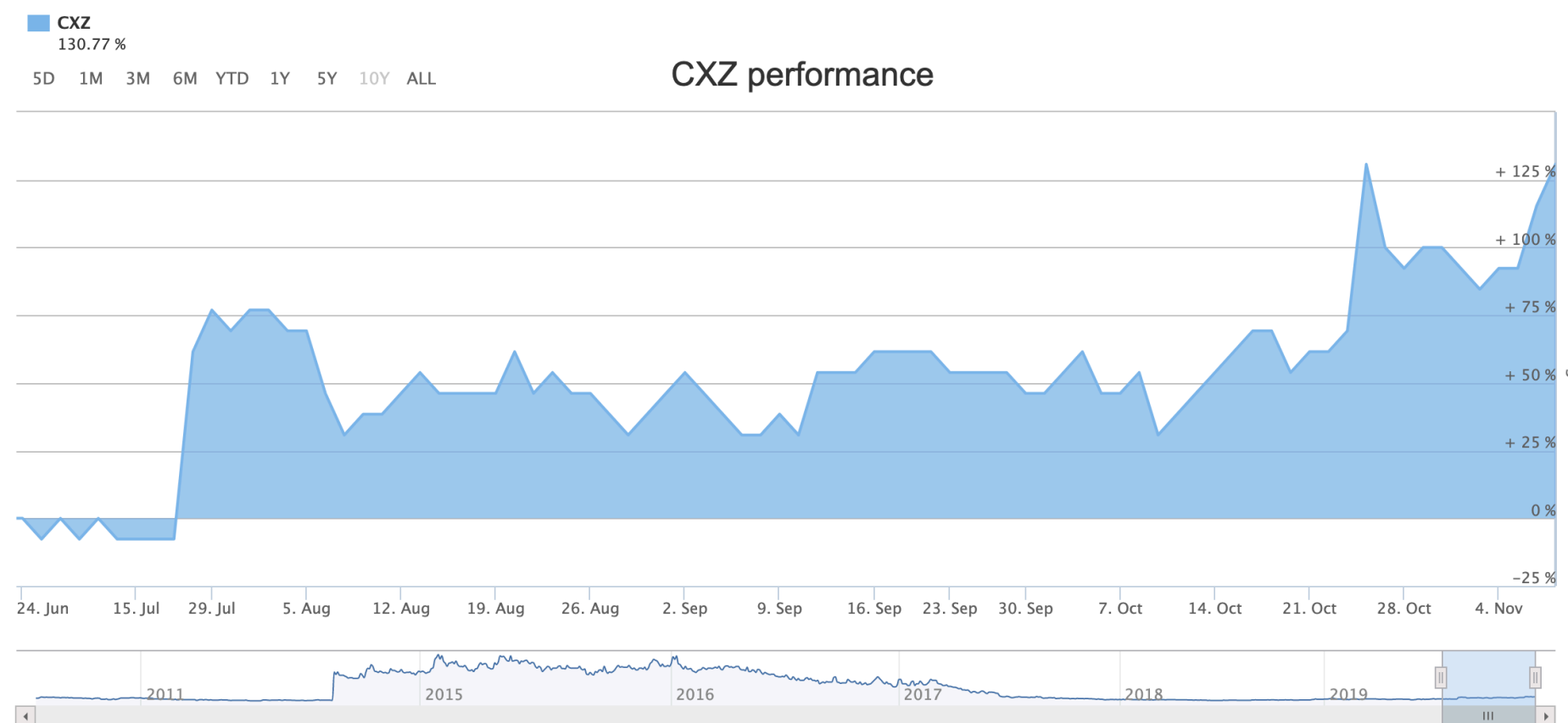
Connexion Telematics Ltd is a specialist software company, headquartered in Melbourne and is listed on the ASX.

We have developed in house SaaS IP, validated in telematics, data analytics and together with consulting services deliver solutions for the global automotive sector. Our first OEM client is General Motors (US), for whom we power its Courtesy Transportation Program (CTP) OnTRAC. We have automated this process and are central to delivering this program for GM.



# Achievements to Date

## In Financial Year 2019



- ✓ Delivered the CTP OnTRAC SaaS program on time and budget in December 2018
- ✓ Converted OnTRAC registrations to paying subscriptions
- ✓ Optimised operating/cost platforms for CTP OnTRAC
- ✓ Leveraged Commercial Link fleet management subscription uptake through GM OnTRAC customer base
- ✓ Delivered cash flow positive operating business model from GM OnTRAC subscriptions
- ✓ Sourced and appointed new CEO
- ✓ Unlocked near term business value of company for shareholders

# Courtesy Transportation Program (CTP)

GM's OnTRAC – powered by a Connexion  
Telematics Ltd SaaS solution



OnTRAC is GM's internal program to manage  
the CTP program including:

- O**n > Onstar
- T** > Tracking
- R** > Reporting
- A** > Analytics
- C** > Contracts

## Main characteristics of GM's CTP

**Offers dealers an incentive to maintain a GM service/rental fleet** of vehicles rather having an in-store rental agency such as “Enterprise” or non-GM vehicles at GM dealerships.

**Allows dealers to provide cars to service customers or loan them out** for test drives of up to 4 days.

**Allows dealers to rent vehicles to customers** who want to drive them longer.

**Is an incentive for service customers and doubles as a marketing mechanism** by providing test drives.

**Increases the level of customer service.**

**Creates loyalty** by getting more people to try GM vehicles: Chevy, Buick, Cadillac and GMC

**Entices dealers to sign up:** Includes cash incentives for every service/rental vehicle registered in the program.

**Gives dealers choice of vehicles** best suited to their markets

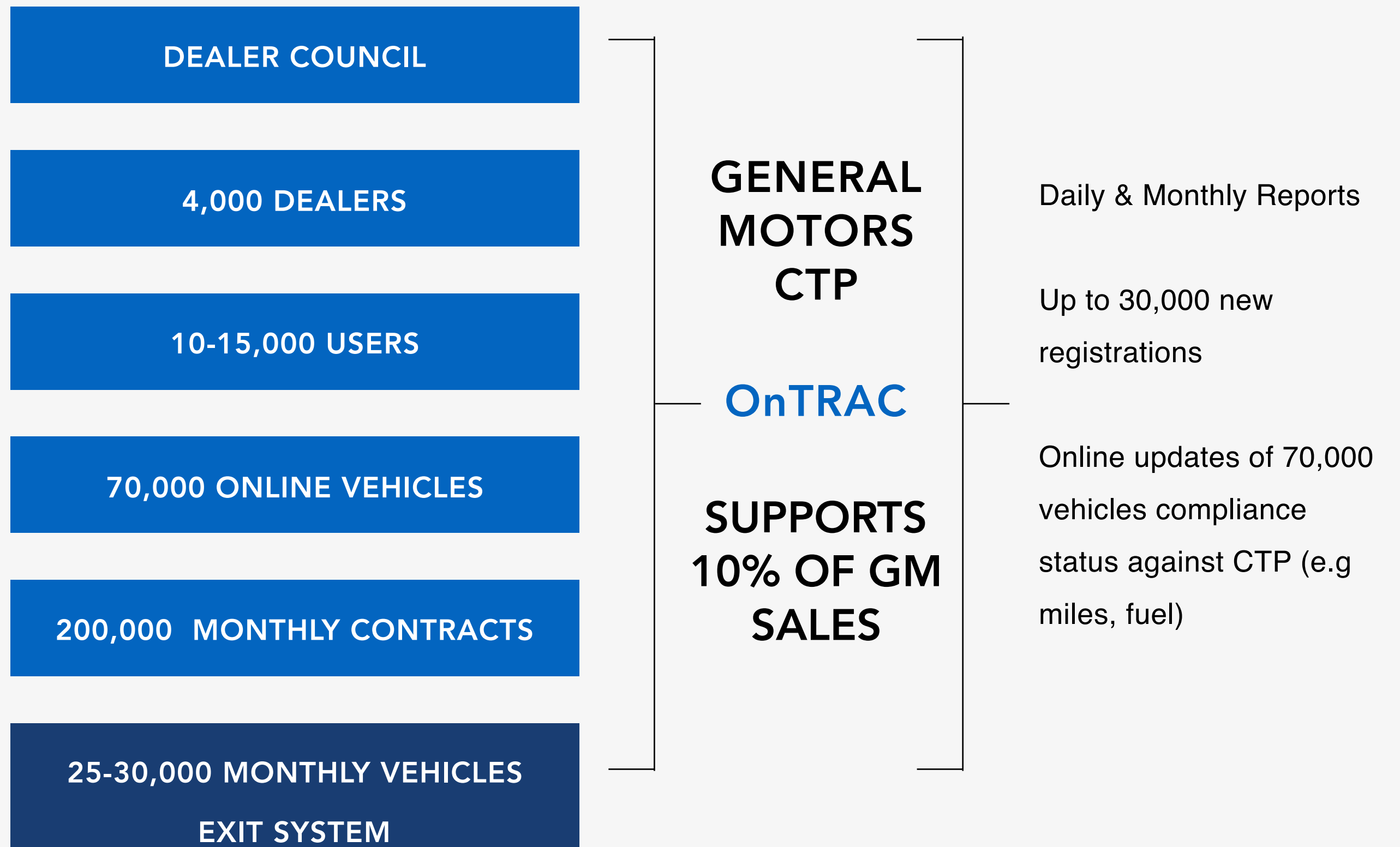
# CTP

GM's OnTRAC – powered by a Connexion Telematics Ltd SaaS solution



Over 2.4 Million contracts are issued annually from customers that have touched the CTP program

## Data Matrix (US only)



# CTP

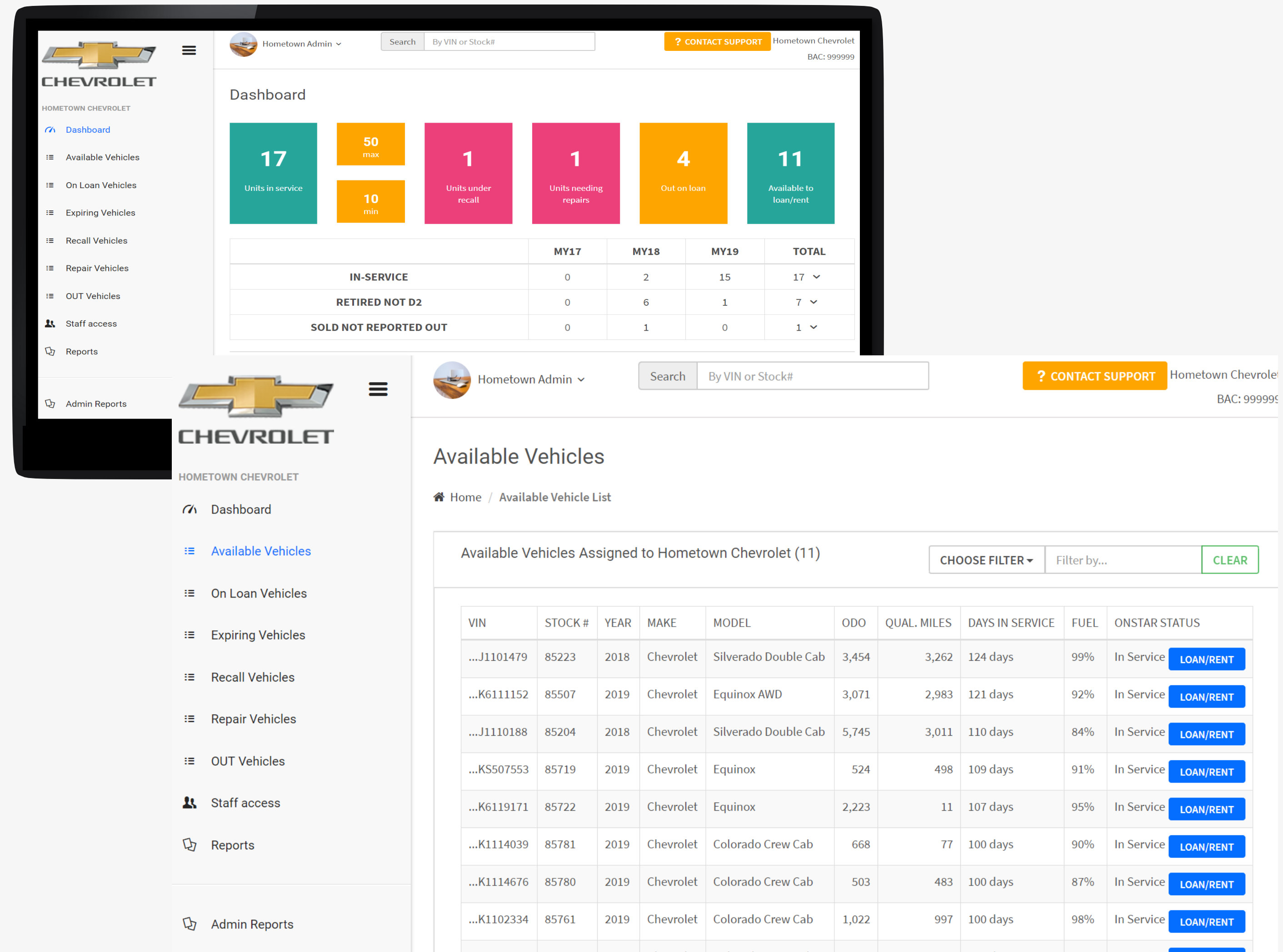
## GM's OnTRAC – powered by a Connexion Telematics Ltd SaaS solution

### Enables customer convenience for:

- Courtesy vehicles (service loan cars)
- Test driving the latest GM vehicles
- Rental vehicles

GM Pays dealer per demonstrator vehicle for time & mileage use by qualified customers

**CTP is being promoted by GM under “OnTRAC” banner currently and mandated if Dealers want to receive incentives.**



# CTP

## GM's OnTRAC – powered by a Connexion Telematics Ltd SaaS solution

- Enables 4000+ dealers to meet GM audit requirements
- Removes dealer need to manually check vehicle odometer and fuel
- Allows dealers to better focus on their core sales function
- **Designed, built, supplied and operated by Connexion Telematics Ltd**



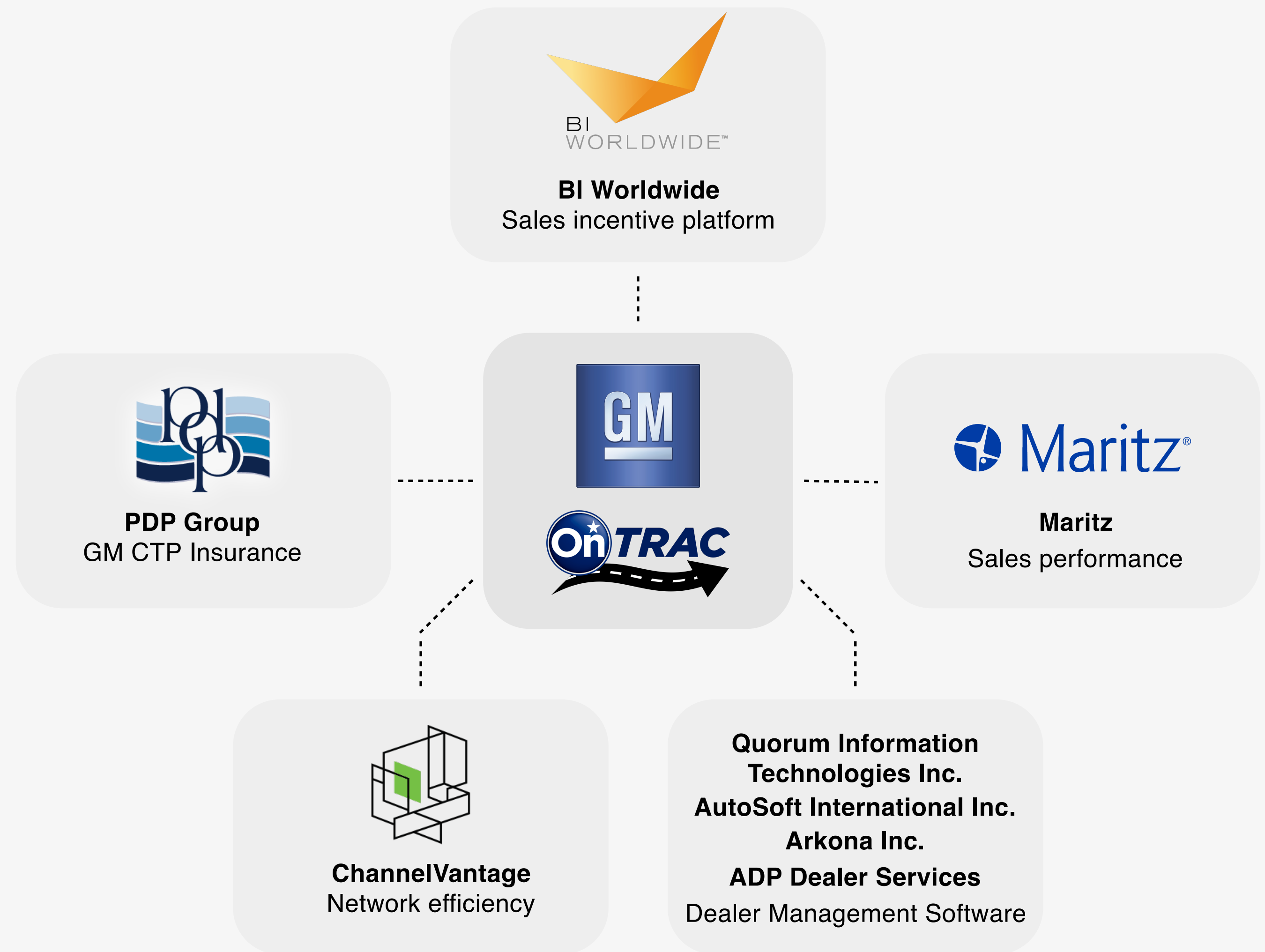


# CTP

**GM's OnTRAC – powered by a Connexion Telematics Ltd SaaS solution**

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**OnTRAC provides an Integrated solution to GM's 4000+ dealers and is integrated with various other specialist providers within the GM's ecosystem including the various Dealer Management Software (DMS) solutions**



# Revenue Mix From CTP OnTRAC

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Since launch in Dec 2018

Opportunity to increase revenues by increasing:

1. Utilisation
2. Consulting
3. Additional recurring revenues

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Recurring SaaS FEE based on maximum vehicles utilised through OnTRAC in a month

- Utilisation 70,000+ Vehicles/Month (maximum potential utilisation 157,316)

~85% of revenues

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Consulting Revenues driven by GM/Dealers

- Change Request

Modification to functionality, additional reports etc

- Enhancements

New functionality

- eg credit card use and storage, new dealer district views etc

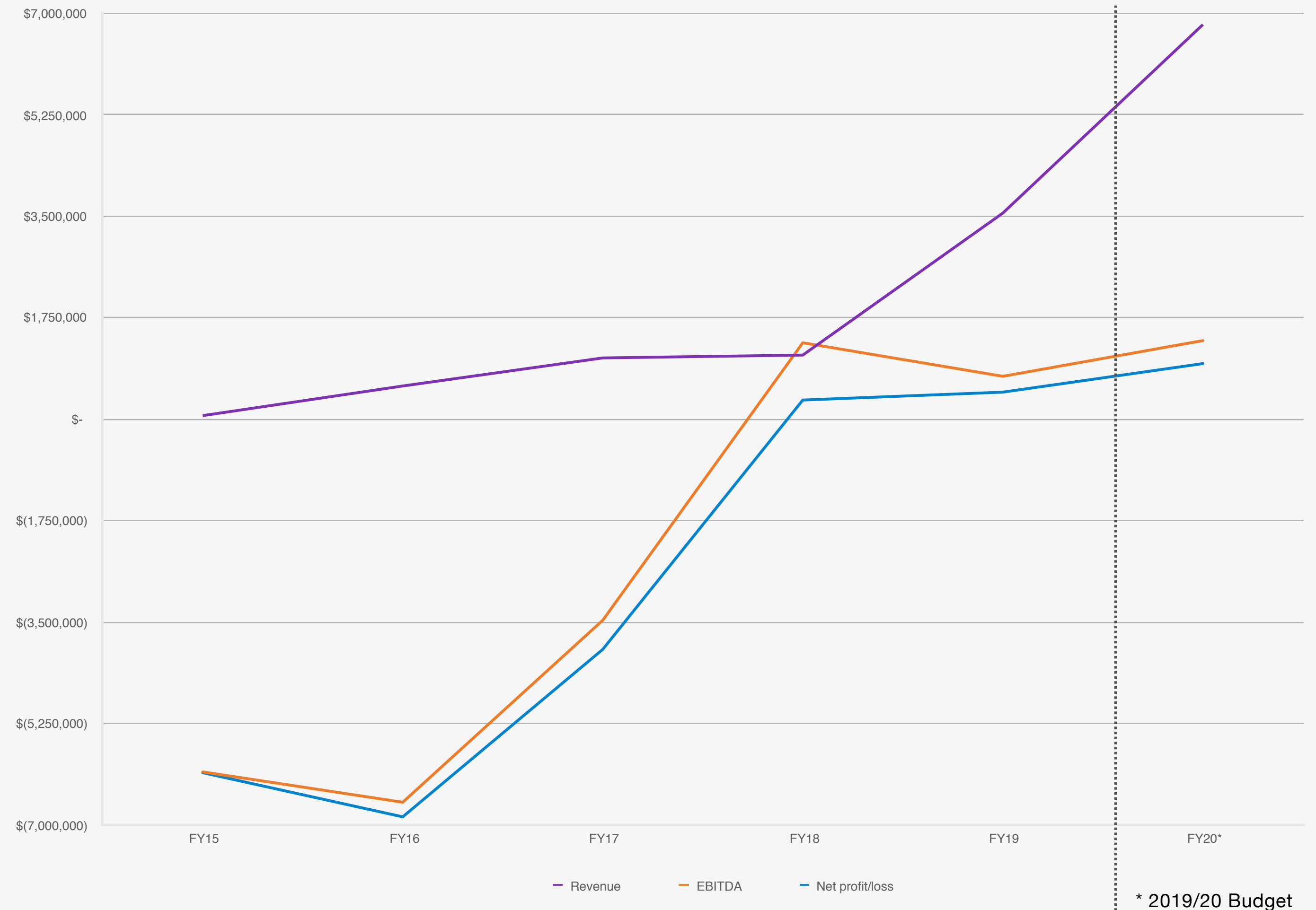
~15% of revenues

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# Zero Debt, Growing Revenues, Increasing Profits

Connexion Telematics Ltd pivotal moment was in financial year 2018. It continues to grow with zero debt, increasing revenues and projected increasing NPBT

It is expected that the margins in future years will increase as we productise and replicate the capabilities of the software across multiple OEMs with increasing revenues.

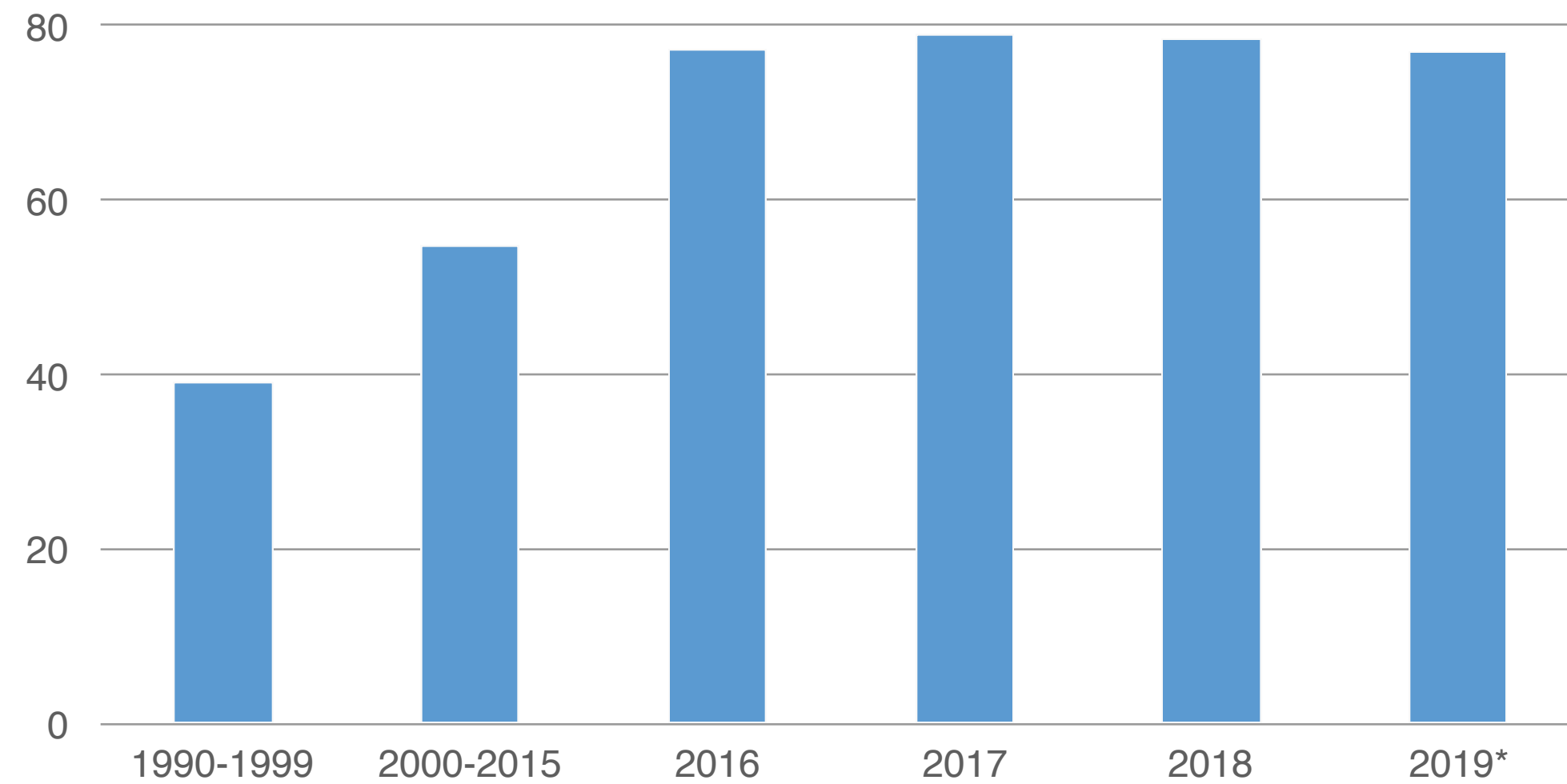


Revenue, EBITDA & Net Profit/Loss: 2014-2020\*

# The Global Vehicle Market

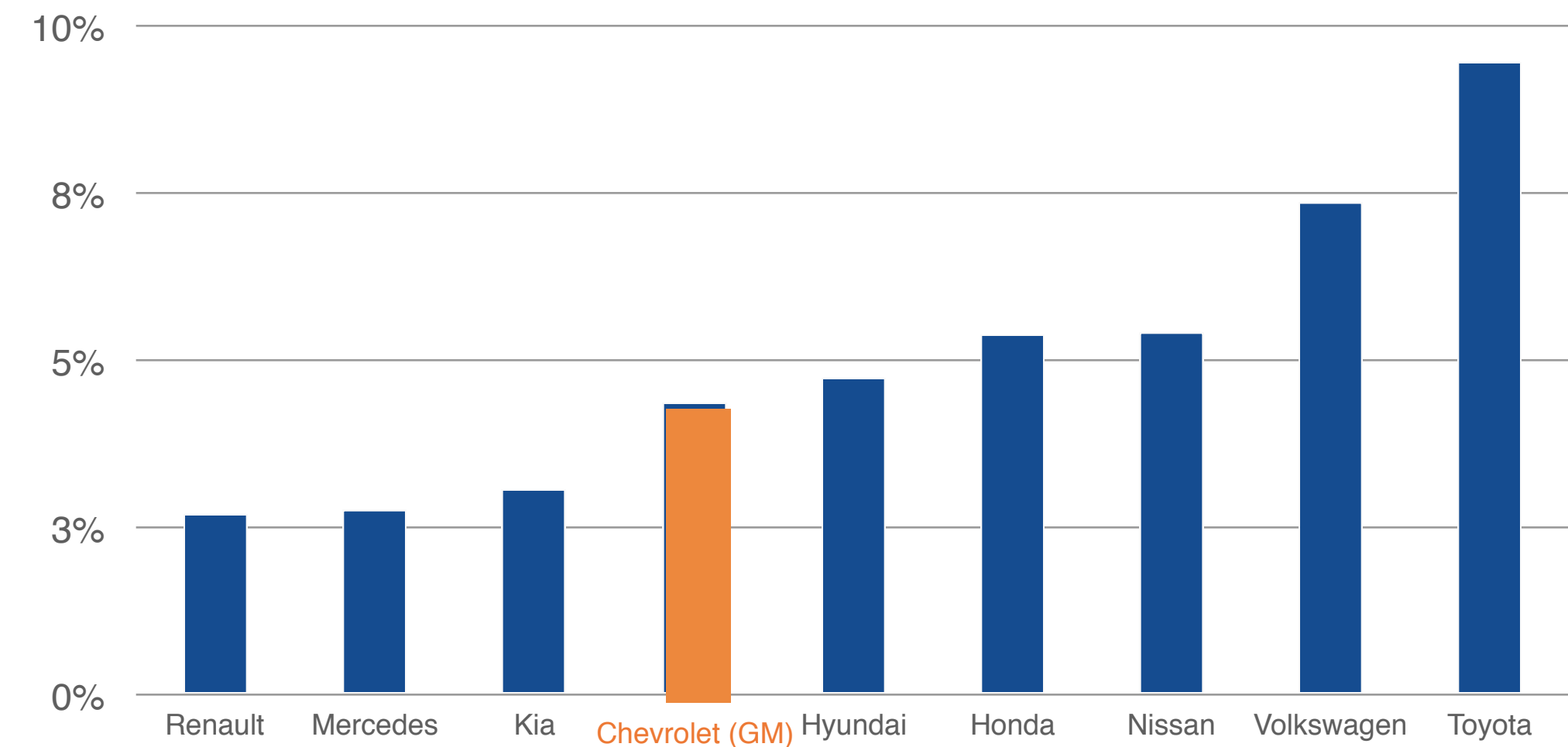
## Number of cars sold worldwide

1990 – 2019 (MILLIONS)



Source: Scotiabank

## Global market share by brand: 2018

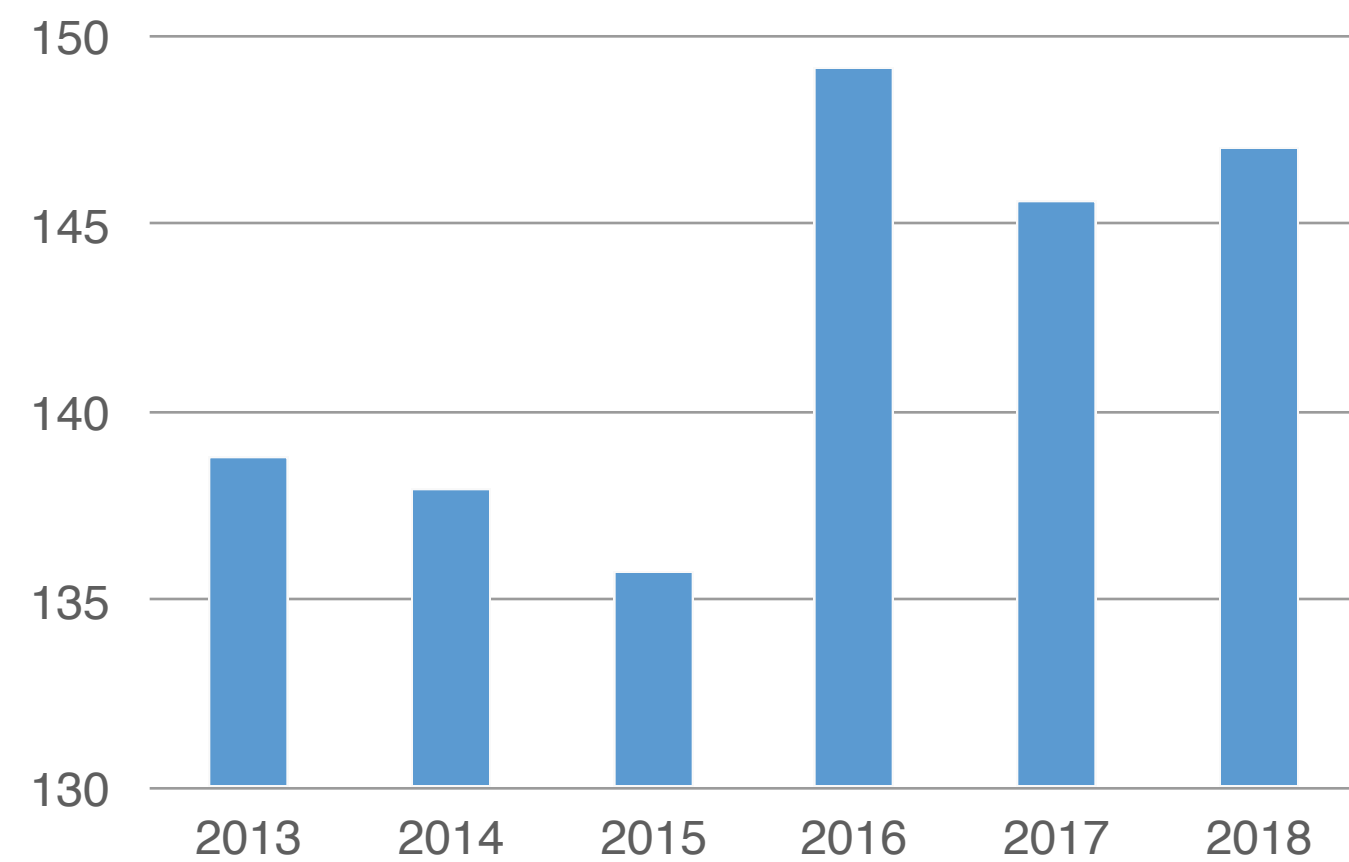


Source: Focus2move

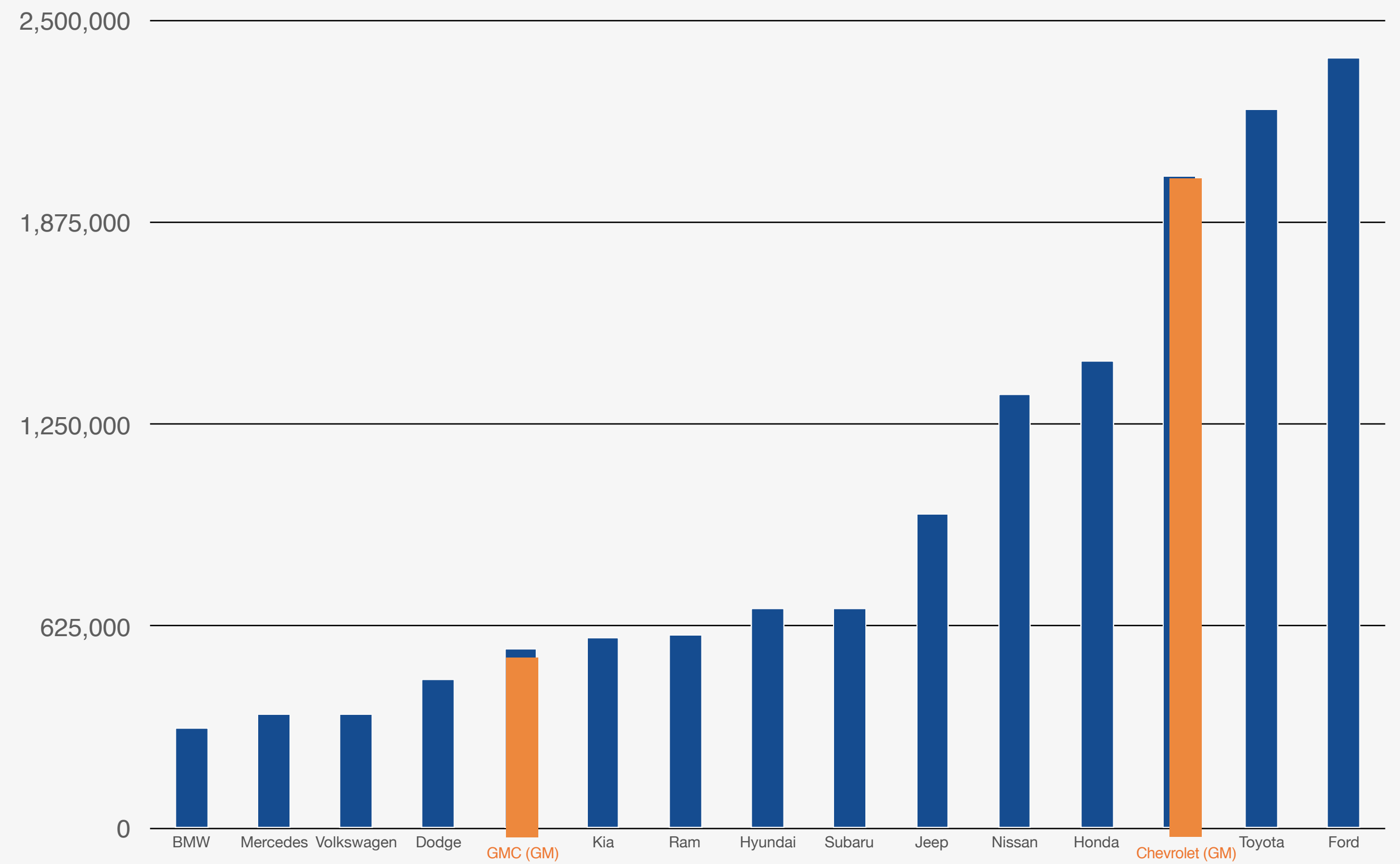
# The US Vehicle Market:

## Sales & revenue

FY2013 – FY2018 (USD BILLIONS)



## Leading US vehicles brands: 2018



Source: Focus2move

# CXZ - Addressable Market Size (US)

Connexion Telematics Ltd is currently ~5% of addressable market in the US

## Leading US car brands: 2018

17,600,000

vehicles sold

10%

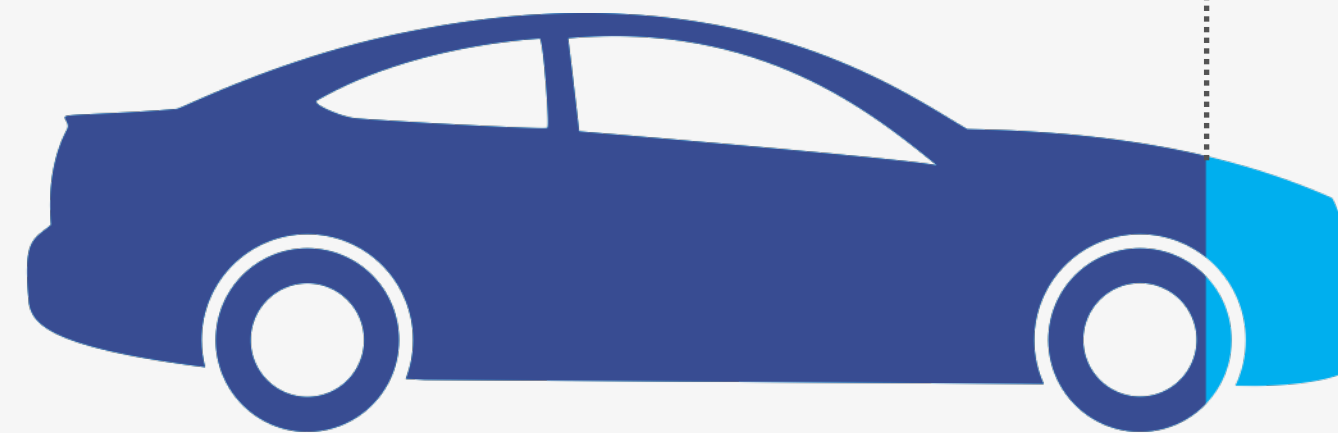
of vehicles go through a similar CTP system

176,000

x \$5 per month

x 12 months/annum

= \$105m+



USD 105,000,000+

# Barriers to Entry

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There are numerous barriers to potential competitors wishing to enter the market.

**Over \$5m+ in development cost** -  
more for other 1st tiered providers

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**Training cost 10,000-15,000 users**

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**Encapsulated business rules**  
based on CTP program

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**Solutions integrated**  
with other GM partners – hard to untangle

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**Trusted relationship**

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**Transition cost**  
- time, development, training, roll-out, support and uncertainty of output/results)

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**Risks to GM**  
- uncertainty in output/results/Usability/performance

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**Cost effectiveness**  
solution



# Growth Strategy: Short Term

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**Connexion Telematics Ltd has both short and medium term plans for growth.**

**Short term plans revolve largely around growing the existing OnTRAC opportunity organically.**

- 
- Develop NEW consulting and recurring revenues through development of Internal Sales Management tool for district managers
- 
- Develop additional consulting and recurring revenues for Non-GM brands in the same dealer (4000+) network.
- 
- Increase consulting revenues through increasing functional requirements of OnTRAC program
- 
- Increase “stickiness” of embedded solutions within GM
- 
- Appoint Business Development Manager in the US to increase value in data flow, develop new line of business and identify opportunities
- 
- Rebalance skill set on Board to better align with business goals



# Growth Strategy: Medium Term

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**Connexion Telematics Ltd has both short and medium term plans for growth.**

**Medium term plans revolve largely around growth beyond the current eco-system.**

- 
- Expand GM OnTRAC program to other geographies including Canada, Mexico, Australia etc.
- 
- Develop new business within existing GM Ecosystem, including BI worldwide, Channel Vantage, PDP Group, Maritz, etc
- 
- Expand to other Brand/s
- 
- Rental and Car-sharing (GM Lead)
- 
- Identify cornerstone strategic investor in the US

# Summary

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**Connexion Telematics Ltd is well established as a niche provider to one of the world's largest global brands.**

**The barriers to entry for competitors are high both in terms of cost and time, and there is significant up-side opportunity in both broadening and deepening our service offering within this unique eco-system.**

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● Consolidate and grow deep relationship with GM as the cornerstone supplier for CTP OnTRAC SaaS solution

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● Manage growth of company in line with revenue expectations to deliver profitable business outcomes on a year on year basis

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● Increase shareholder value by delivering increasing revenues business at higher margins.

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● Ensure a rewarding and innovative working environment for staff

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CONNEXION™

For more information, please go to:

[www.connexionltd.com](http://www.connexionltd.com)

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