

SKYLINE PARKING

What product or service do you offer?

Skyline Parking Ltd. has developed a new concept of parking. The parking industry is a growing multibillion dollar revenue industry and the need for less spacious parking is becoming increasingly important. This is especially obvious in Asian cities with a rapidly increase in number of cars. These cities generally lack the space to build large parking garages and the price of land is high. The cost per parking slot (30k) for the Skyline Parking is slightly higher than conventional parking houses, even though the latter can outreach 40k. However on average, the difference is often marginal since 4 times less space is used and consequently material cost reduced. If price of land is included, the price for a Skyline Parking is significantly below conventional parking in larger cities. Compared to other automated system, the price per parking slot is at the lower end for the price distribution.

Skyline Parking has invented an advanced, computer controlled, and fully automatic car parking system with minimal space usage. The concept of automated parking is not new. Skyline Parking's solution differs from those of its competitors by requiring less space and has lower cycle time (measured from picking up and park the car to be ready for the next car). Other automated parking facilities have often a cycle time of 2-4 minutes and only one car at the time can be left for parking. Skyline parking has a cycle time of 55 seconds and up to 12 cars can be left for parking at the same time. All this combined makes Skyline Parking a very competitive product in a rapidly growing industry.

Who is the management?

Frido Stutz, CEO

Former aircraft engineer and the inventor of the system. Experience in aircraft maintenance, project

management, and business administration.

Martin Ruesch, CFO

Master from St. Gallen in Economics with major in Finance. Previous experience from Swiss Re's accounting group and project management at Julius Bär and at the University of St.Galen.

Andreas Schlegel, COO

PhD form ETH. Experience in product development, soft and hardware engineering, and business development.

Jakob Gilgen, owner of Gilgen Logistics

Innovator of the car parking robot. Experience in civil engineering, electro engineering, entrepreneurship, and logistics of over 40 years. Founder to many successful companies in Switzerland, e.g. Gilgen Logistics and KABA-Gilgen.

Roy Lengweiler, advisory board

Experienced engineer, constructor, and project manager. Computes and designs the static of our first parking tower to be sold.

Who is supporting the project?

Skyline Parking is supported by the Swiss Federal Innovation Promotion Agency who is funding the development cost of scanning and the computer control system. Gilgen Logistics has been supporting the design and developing of the car-parking robot. Finally, Skyline Parking sold a first license to a Korean partner, which is co-constructing a prototype.

What is the long term corporate plan?

Key focus during end of 2008 until third quarter of 2009 is the construction of a prototype in form of a three floor test plant of the integrated system. In parallel to this, some initial sales will be starting in Russia and Switzerland. At the end of 2008, Skyline Parking is presenting at GarageBuildExpo in Moscow and towards the second half of 2009 a more intensified sales process will start. The aim is to sell 6 systems by end of 2009 (5 out of 6 will be constructed in the year 2010). In 2010 the focus will be in Russia, Korea, and Japan and extended to China and Singapore.

In four years time from now, Skyline Parking shall be one of the leading players in the field of automated parking with a yearly sale of 100 parking plants and further growth. With the sale of 100 parking, Skyline Parking will have a positive EBIT of 86MM (with a lag of 1 year).

What does your company base its (future) success on?

The parking industry is a large and growing industry. An estimated 80,000 parking garages are built every year with most of them being conventional facilities. But large Asian cities are facing high shortage of space and urgently in need of alternative parking systems. There are several players in the automated parking space but Skyline Parking has a leading concept with 10 pending patents in 54 countries. Skyline parking is only selling the core of the parking house, i.e. robots, software, scanning, steering, and lift. The cost of producing the core is expected to be USD 1.1MM and with a sales price of USD 2.2MM. This means that only a few parking houses need to be sold in order to break-even.

To speed up the market entry, licenses will be sold in some geographic regions. One license has already been sold to a South Korea company for an initial price of USD 60,000, a yearly fee of USD 100,000 and USD 1,000 per parking slot.

How was your company financed until this point? What do you need funding for?

To date, Skyline Parking has raised approximately CHF 2MM (USD 1.8MM) from industrial partner, the Swiss Government, venture prices, and the founders. These funds have helped to finance the construction of the individual parts, design of the integrated system, and part of the test plant. Next step is to carry out the development of the prototype. This phase requires an additional investment of CHF 2.5MM (USD 2.3MM), of which CHF 0.5MM is already secured.

What market do you operate in and what are its key characteristics (competition)?

The market for smart parking is still very young but is expected to boom as good solutions are coming. There are several players in the market with different systems. One of the largest players in this field is Korean MP Parking. Other players are Skypark, Parkmatic, and Woehr. Given the expanding market, the number of competitors is relatively small and current solutions are not able

to offer the same combination of short cycle times and space reduction as Skyline Parking.

What is your demographic and geographic market potential?

The first countries to enter will be Russia, Japan, and Korea. Land prices for large cities in Russia have skyrocketed in recent years and Moscow has become one of the most expensive cities in the world. A key partner to Skyline Parking is located in Moscow and will handle the direct sales in this region. Japan and Korea are two overpopulated countries with high land prices. These regions will be penetrated through licenses.

What do you offer investors?

Skyline Parking is offering a high return on the investment on a 3-4 years perspective. The company would break-even with less than 4 sold systems per year. We expect to sell 100 systems in 2012 resulting in an EBIT of CHF 86MM (USD 79MM) for the following year.

Exit is foreseen to 2013 through a trade sale or an IPO.

What risks do you anticipate for your company?

Even though, large investments have been done in developing the robots, prove the concept, and set-up a test plant, we are still considering this investment as early stage. A lot of buffer has been added to timing and financial needs for building the prototype and testing of the system. Nevertheless, it is always uncertainties involved in all project plans. Skyline Parking is working close to the Winterthur University to minimize the risk of additional financial need.

Once the prototype is working, no other parking system known today offers the same advantage of space reduction combined with low cycle time. The interest in the system has been proven already.

Current and new competitors are less of a threat as they do valuable work in preparing the market for automated parking.

