



Trakm8 Presentation 2022

[Begin](#)

Trakm8's mission: [Driving our Greener, Safer, Connected Tomorrow](#)

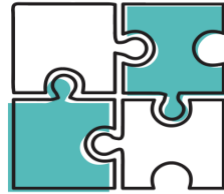
- Using market leading AI based algorithms to analyse data collected from vehicles Trakm8 improves the efficiency and risk of customers operations
- Presents the data analytics in easy to use and interpret formats
- Uses evergreen software platform to ensure the solution never ages out
- Agile development
- Fully integrated business
- Listed on AIM
- 160 employees of which 60 are engineers

Company overview



Cross-sector relationships:

- c.20 Insurance & Automotive Customers
- c.2400 Fleet & Optimisation Customers
- c.10 countries with connected devices

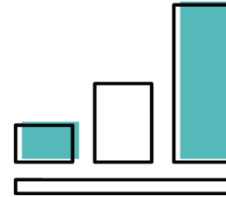


Range of telematics solutions:

IP-owned Software and hardware for

- Fleet Management
- Optimisation
- Insurance
- Automotive

Driven by investment in innovation



Organic growth platform:

- 264,000 connections
- £9.8M Recurring revenue in FY2022
- Positioned for growth post Covid



Strong end market drivers:

- Government initiatives and legislation
- Insurance premiums
- Fleet efficiencies
- Connected Car, autonomous and electric vehicles
- Environmental and risk trends

Trakm8 timeline



Fully integrated business

Trakm8 designs, develops, manufactures and hosts full solutions for connecting vehicles. Providing data analytics to enable operators of vehicles to improve efficiency and reduce risk, thereby significantly improving the environmental impact.

- Develops own Intellectual Property through:
 - Design and development of software solutions and platforms
 - Design and development of mobile apps
 - Development of AI based algorithms for Optimisation, ADAS, Scoring for risk and efficiency
 - Design and development of hardware devices
- Supply chain management and manufacturing
- Full fulfilment and installation services (installation through partners)
- Multichannel sales and distribution
- Hosting
- Customer support

Driving our greener, safer, connected tomorrow



Trakm8 Insight

Trakm8 Insight is a market leading evergreen software platform that processes data from telematics devices, connected cameras and mobile apps and displays them in digestible and user-friendly dashboards.

Live vehicle tracking

Find out where your vehicles are and where they've been with live GPS vehicle tracking from Trakm8 Insight. Expense reporting is made simple with HMRC-compliant reports.

Driver behaviour

Trakm8's driver behaviour solutions are proven to cut fuel costs by up to 10%; reduce instances of speeding; and help you negotiate lower insurance premiums due to a decrease in your at-fault incident rate.

Connectedcare (Advanced Vehicle Health)

Monitor your vehicle health remotely with Trakm8 Insight. When there are issues, you'll receive alerts by email, SMS or inbox. Our innovative Connectedcare solution even alerts you to engine warning lights, saving your business expensive repair bills.

Insurance Scoring and Crash reconstruction

Trakm8 has scoring, FNOL and crash reconstruction AI based analytics to improve insurers loss ratios.

Fleet optimisation & route planning

Trakm8 Insight's fleet optimisation & route planning solution goes beyond basic route planners to deliver substantial savings by increasing vehicle utilisation and reducing total fleet mileage. By planning the jobs in the most efficient order it can help fleets reduce total miles travelled by up to 20%.

Live-streaming video

The award-winning RH600 from Trakm8 combines all the benefits of telematics with video and photo evidence of road traffic incidents right inside Trakm8 Insight.

Third-party integration

Trakm8 Insight's Integration and API enables businesses to integrate third-party telematics data inside the portal and app.

Trakm8



Financial Results

- Group revenue in second half slightly ahead of first half resulting in revenues of circa £18.1m
- Profitable both at an Adjusted level and after tax. Significant improvement on prior years
- Net Debt £0.5m higher due to paying HMRC arrears down by £0.9m
- COVID-19 impact on supply chain managed but drove £0.2m of additional cost – and availability of some key components remains an ever present risk
- Period of good contract awards and extension in the Insurance space which should drive revenue – but current year will be second half weighted

FY22 Financial Statement

Income Statement



£000's	FY-2022	FY-2021
Revenue	18,111	15,961
of which, Recurring Revenues	9,806	9,379
Gross Profit	11,107	9,318
Gross Profit Margin	61.3%	58.4%
Administrative Expenses*	(10,193)	(9,585)
Adjusted Profit/(Loss) before Tax*	3	(342)
Profit/(Loss) before Tax	(122)	(1,867)
Profit/(Loss) after Tax	197	(1,237)
Adjusted basic EPS* (p)	0.41	0.07

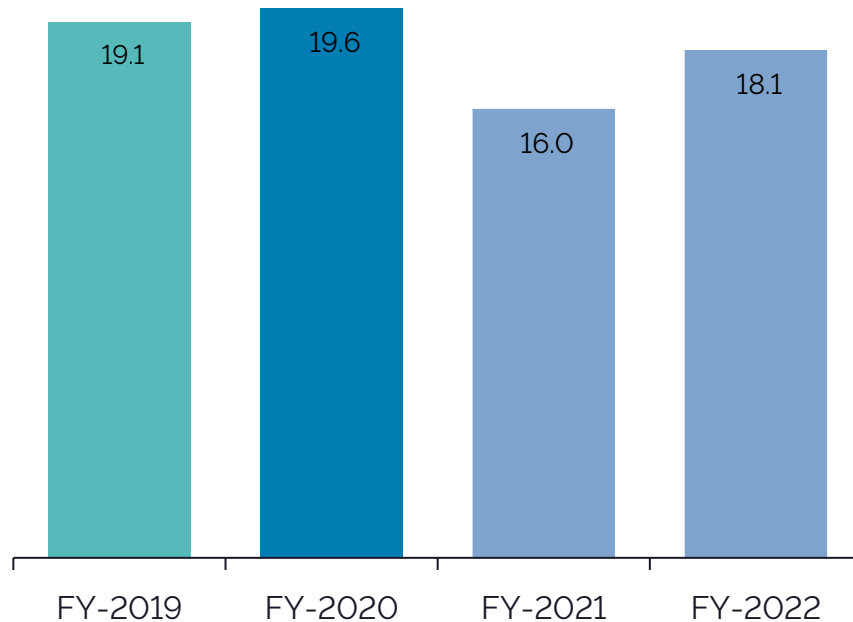
FY-2022 Results

- Revenues up 13%
 - Recurring revenues up 5%
- Increased overheads:
 - Increased staff costs of £0.4m with reduced levels of furlough
 - Marketing spend up £0.15m
 - Depreciation & Amortisation £0.2m up
 - Underlying costs continue to reduce
- Reconciliation to statutory PBT
 - Exceptional costs £0.6m (58% down on prior year)
 - Share based payments benefit of £0.4m

* Adjusted for exceptional costs and share based payments

Financial Review

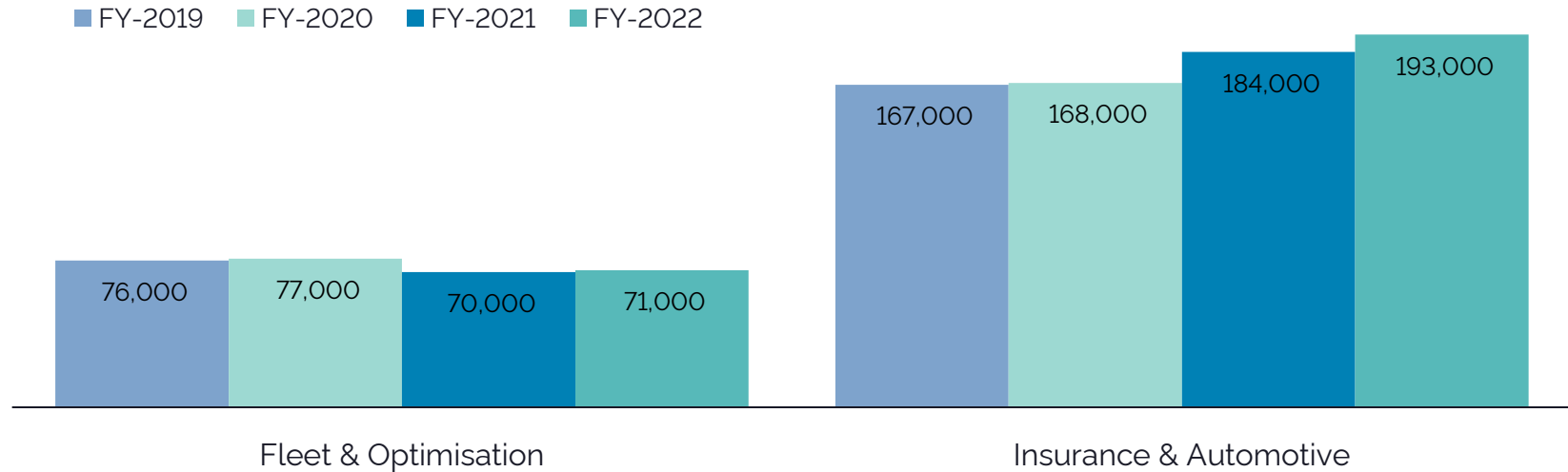
Revenue Performance



- FY21 Revenue significantly impacted by Covid-19 (Impact on FY21 estimated at £4M)
- FY22 showed growth versus prior year in both Insurance and Automotive and Fleet & Optimisation (7% and 19% respectively)
- FY22 H1 Insurance still heavily impacted by Covid lockdowns and subsequent impact on test availability

Financial Review

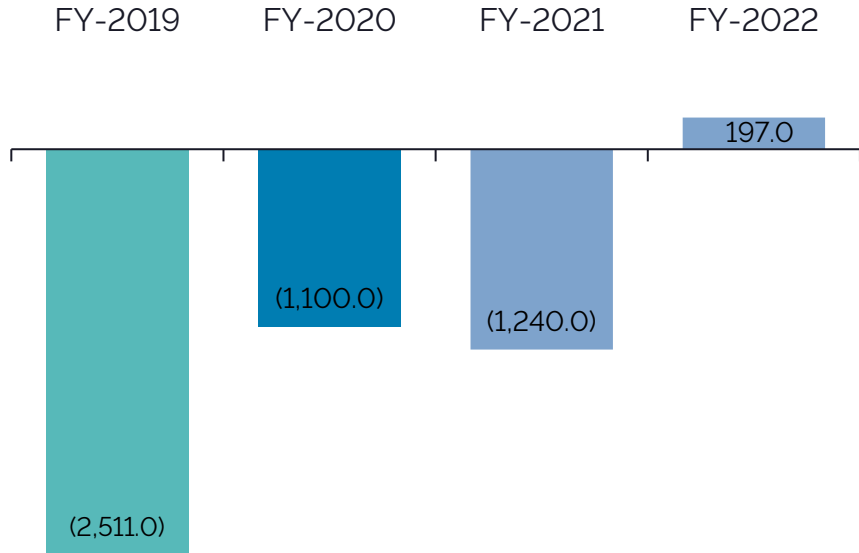
Connections



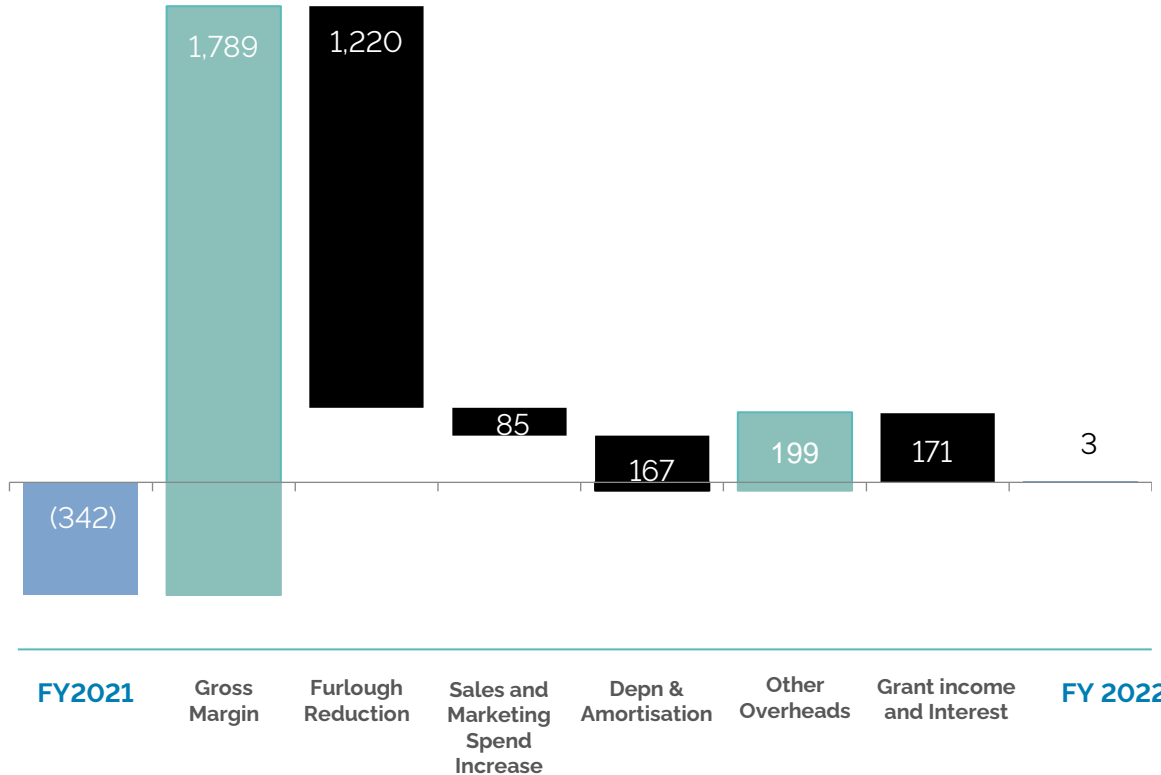
- Insurance and Automotive Connections up 5% following strong fourth quarter
- Fleet and Optimisation up 1% following reduction due to COVID-19 with vehicle supply still challenging

Financial Review

Profit after Tax



- FY-2021 heavily impacted by COVID-19 but offset by Overhead/Headcount reductions
- FY-2022 benefitted from improved revenue performance and reduced cost base resulting in return to profitability



- Progressed to break even at Adjusted Profit/(Loss) level
- Additional cost of staff as furlough reduced compared to prior period
- Increased sales and marketing spend of £178K
- Other overheads includes annualised savings of circa £0.4m

Financial Statement

Consolidated Statement of Financial Position



£000's	FY-2022	FY-2021
Non-current assets		
Intangible assets	23,012	22,187
Right of use assets	2,032	2,512
Other non-current assets	830	941
	25,874	25,640
Current assets		
Inventories	1,322	1,409
Trade and other receivables	7,944	6,679
Corporation tax receivable	709	690
Cash and cash equivalents	1,004	2,370
	10,979	11,148
Current liabilities	(9,275)	(6,979)
Current Assets less current liabilities	1,704	4,169
Non-Current liabilities	(7,702)	(9,687)
Net Assets	19,876	20,122

- Investment in R&D of £2.9m, £0.6m up on Covid impacted prior year
- Inventories down £0.1m compared FY-2021
- Current liabilities include the remaining £0.9m of HMRC liabilities under Time to Pay agreement (down from £1.8m)
- Trade and other receivables includes increase in Payments received in advance of service delivery

Financial Statement

Consolidated Cash Flow Statement

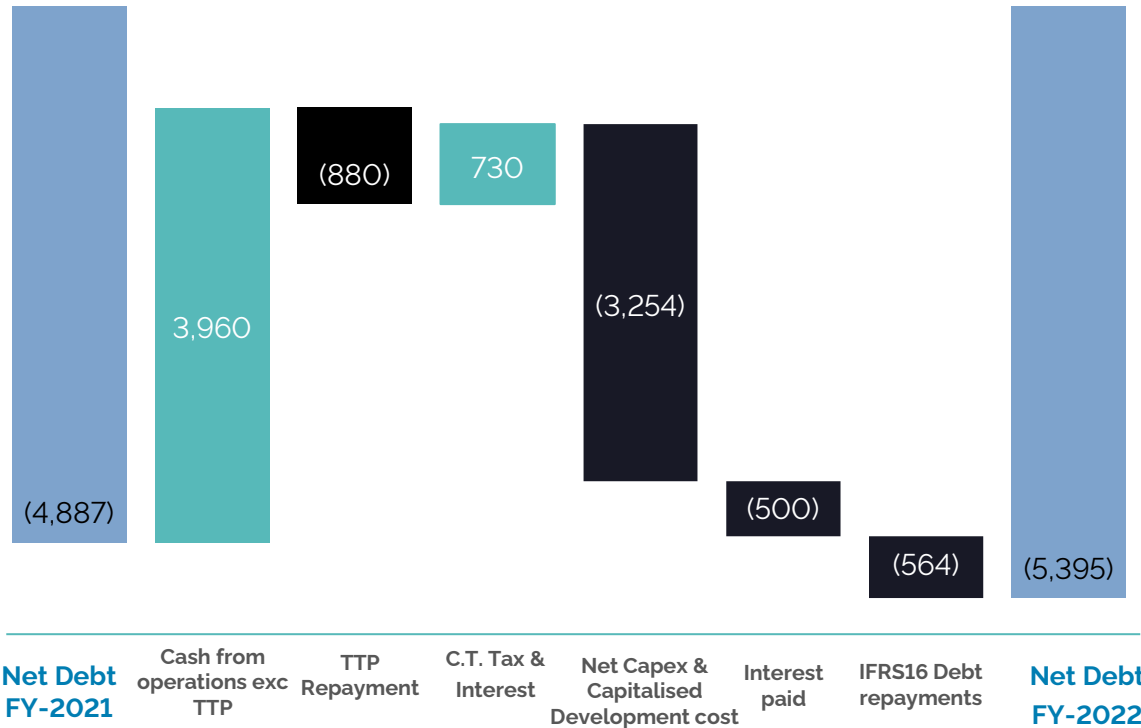


£000's	FY-2022	FY-2021
Net cash generated from operating activities	3,810	4,702
Cash flows from Investing Activities		
Purchases of property, plant and equipment	(420)	(330)
Proceeds from sale of property, plant & equip.	125	-
Purchases of software	(48)	(47)
Capitalised development costs	(2,911)	(2,290)
Net cash used in investing activities	(3,254)	(2,667)
Cash flows from financing activities		
Increase in bank loan	-	5,300
Loan arrangement fees	(5)	(88)
Repayments of bank loans	(743)	(5,379)
Repayment under lease agreements	(674)	(670)
Interest paid	(500)	(493)
Net Cash used in financing activities	(1,922)	(1,330)
Net change in cash and cash equivalents	(1,366)	705
Cash and cash equivalents at end of year	1,004	2,370

- Cash from operating activities includes £0.9m repayment of HMRC time to pay liability
- Prior year benefiting from TTP arrangement of £1.7m
- Investment in R&D up £0.6m to £2.9m following Covid impacted year
- HSBC and Maven capital repayments resumed in the period

Financial

Net Debt Bridge*



- Net debt excl. IFRS 16 impact increased to £5.4m
- Net debt including IFRS 16 is £7.9m
- Cash flow from operations was £0.9m lower
- Investment in R&D £0.6m higher than COVID impacted prior year
- Additional £0.5m unutilised bank facility

* Excluding impact of IFRS 16

- Group revenues in current financial year to end of May 11% ahead of last year
- Revenues in the current financial year from Insurance clients increasing due to new contract wins and increased volumes from existing clients resulting in revenues to end of May being 33% ahead of last year
- Fleet sales showing good progress with revenues in the current financial year to end of May 4% ahead of last year
- Inflationary pressure on payroll and components is partially mitigated with lower headcount and lower designed in device costs
- The Company continues to face component availability issues that could impact deliveries but the expectation is that we will continue to overcome these
- The Board believes Trakm8 is building increasing momentum and is hopeful that this can be transformed into improved financial returns as we move forward



Trakm8
Thank you

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