



Interim Results Presentation

Tracsis plc
Period Ended 31 January 2024



April 2024

Technology makes it possible, people make it happen

Contents



Chris Barnes
CEO

Andy Kelly
CFO

H1 2024 Highlights	4
H1 2024 Financial Review	7
Contract Wins / Pipeline Growth	13
Looking Forward	18
Appendix Materials	
Board of Directors	22
Investment Case, Strategy and Growth Drivers	23
5 Year Financials	28
List of Significant Shareholders	30

Our purpose is 'Making Transport Work'

Software and Hardware Solutions
(High levels of annual recurring revenue)

Rail Technology & Services

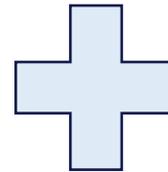
How we create value



Professional Services / Data Science
(High levels of annual repeat revenue)

Data, Analytics, Consultancy and Events

How we create value





**H1 2024
Highlights**

Ongoing strong progress in implementing our growth strategy

Increased
Recurring
Revenues



Multiple large
contract wins



Ongoing
business
transformation



Rail software
pipeline up
>100%



Entry into large
US software
market segment



Continued
commitment to
sustainability



Interest in digital transformation across rail continues to grow



- £43.1bn of CP7 funding for Network Rail is now being deployed focused on improving passenger and rail freight
- £2.8bn is being invested in technology that will help the industry better cope with extreme weather and climate change and drive improvements in reliability and performance
- Increasing likelihood that TOC's will move under government ownership if Labour wins the general election. This will provide greater certainty on future technology choices and funding



- A huge market that is embracing digital transformation and looking for new technology entrants to displace poor performing incumbents
- Commuter Rail operators and Short Line Freight operators are actively looking for new solutions that drive operational efficiency and performance improvements
- Port operators and industrials under significant pressure to improve safety levels

A person with a backpack stands on a train platform, looking at a blurred train passing by. The scene is captured with motion blur, suggesting speed and movement. The person is wearing a light-colored coat and a dark backpack. The train is moving from left to right, creating horizontal streaks of light and color. The platform has a yellow tactile paving strip in the foreground.

H1 2024 Financial Review

Financial performance in line with expectations

£'000	H1 24	H1 23	Growth
Revenue	36,582	39,213	(7%)
Adjusted EBITDA *	5,674	7,464	(24%)
Adjusted EBITDA %	16%	19%	(3% pts)
Adjusted Profit +	4,530	6,398	(29%)

Statutory Measures

Operating Profit	(308)	2,380	(129%)
Profit Before Tax	(268)	2,256	(119%)

* Earnings before net finance expense, tax, depreciation, amortisation, share-based payments, exceptional items, other operating income and share of result of equity accounted investees.

+ Earnings before net finance expense, tax, amortisation, share-based payments, exceptional items, other operating income and share of result of equity accounted investees.

• Revenue in line with expectations

- c£3.5m non-repeat revenue in prior period
- 12% growth in Rail Technology and Services recurring revenue
- High activity levels in Data, Analytics, Consultancy & Events

• Transformation actions progressing to plan

- Adjusted EBITDA* includes c£0.8m investment to enhance technical and commercial capabilities
- Statutory profit includes £1.3m of non-repeat exceptional cash costs

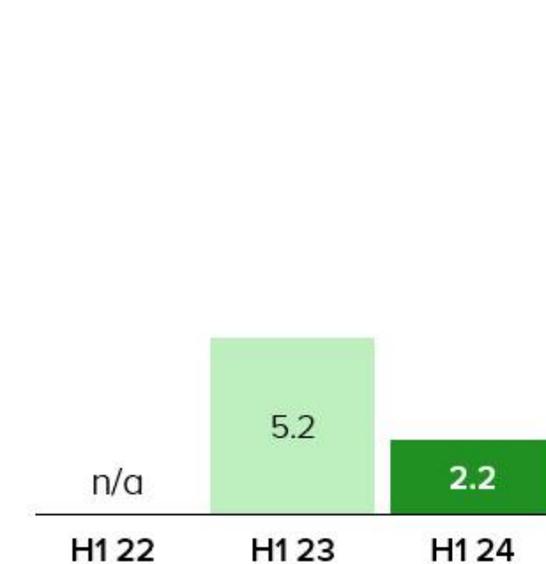
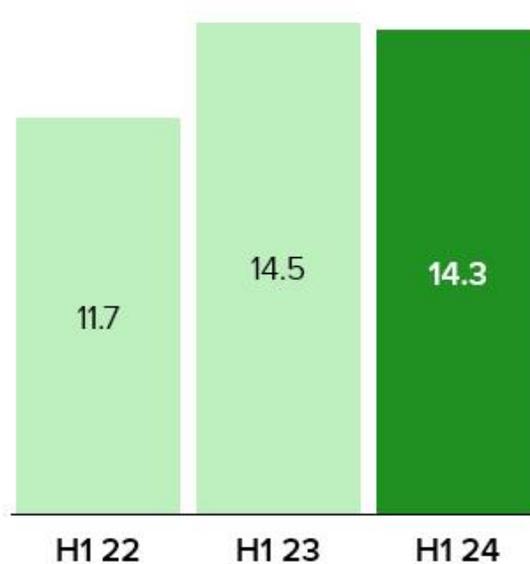
Continued growth in Rail Technology recurring revenue

Rail Technology & Services

£'000	H1 24	H1 23	Growth
Revenue	16,477	19,751	(17%)
Adjusted EBITDA *	3,435	5,548	(38%)
Adjusted EBITDA %	21%	28%	(7% pts)

- Recurring and repeat revenue¹ increased 12% to £12.1m
- £2m of non-repeat licence revenue in prior period
- Margin reflects investment in enhanced technical and commercial capabilities
- Pipeline has more than doubled in both UK and North America markets

Revenue (£m)



* Earnings before net finance expense, tax, depreciation, amortisation, share-based payments, exceptional items, other operating income and share of result of equity accounted investees

¹ Includes recurring software licence revenue and annually repeating hardware revenue from framework agreements

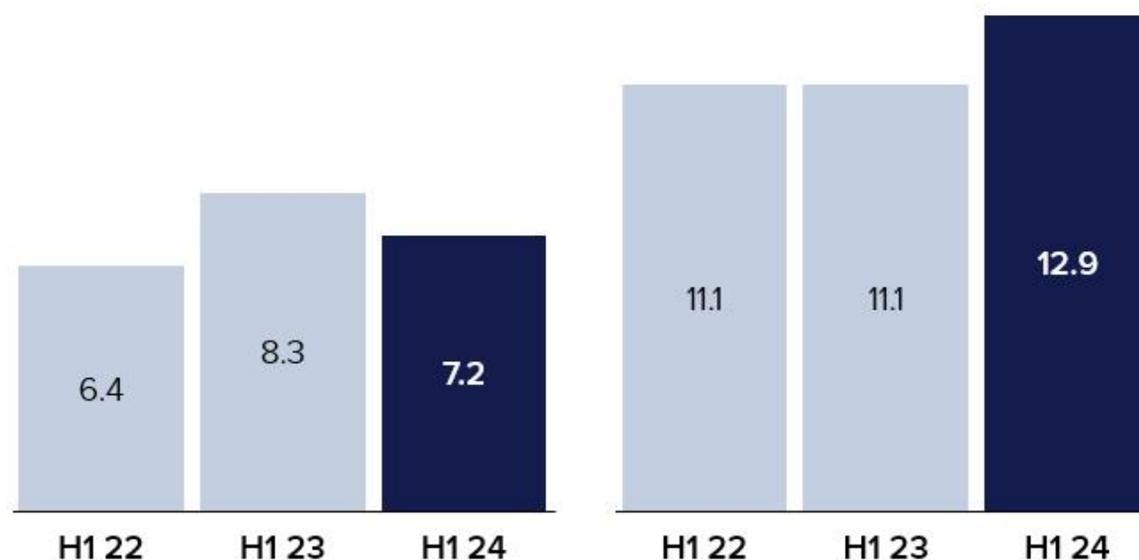
High activity levels in Data, Analytics, Consultancy & Events

Data, Analytics, Consultancy & Events

£'000	H1 24	H1 23	Growth
Revenue	20,105	19,462	3%
Adjusted EBITDA *	2,239	1,916	17%
Adjusted EBITDA %	11%	10%	+1% pts

- Record performance despite c£1.5m non-repeat Data Analytics/GIS revenue
- Growth driven by buoyant Traffic Data and Events markets, and good demand for specialist consultancy and Data Analytics/GIS capabilities
- Key contract wins and renewals in Events

Revenue (£m)



* Earnings before net finance expense, tax, depreciation, amortisation, share-based payments, exceptional items, other operating income and share of result of equity accounted investees

Strong cash position supports ongoing investment

£'m	H1 24	H1 23	Variance
Adjusted EBITDA	5.7	7.5	(1.8)
Increase in working capital	(0.3)	(4.6)	4.3
Interest and tax paid	(1.3)	(1.2)	(0.1)
Acquisitions and Earnouts	-	(1.0)	1.0
Exceptional costs	(1.3)	-	(1.3)
Capex (net)	(0.9)	(0.3)	(0.6)
Development costs	(0.2)	-	(0.2)
Net cashflow used in financing activities	(0.5)	(0.7)	0.2
FX and other	0.2	0.1	0.1
Net Change in Cash	1.4	(0.2)	1.6
Cash ¹	16.8	17.0	

- Unwind of large trade receivables balance at year end
- £1.3m non-repeat exceptional cash costs to deliver transformation activities
- Capex investment to support groupwide IT operating environment and vehicle replacement cycle
- R&D investment for rail technology product development, including Hopsta Smart Ticketing App
- All material earn-outs have now been paid
- Closing cash position of £16.8m with no debt ensures business is well positioned for growth

¹ Cash and cash equivalents. H1 23 includes cash held in escrow of £2.2m that was used in H2 23 to settle Rail Technology North America earnout

Business transformation going to plan

£1.3m of non-repeat exceptional cash costs in H1

- Chief Technology Officer recruited to oversee all aspects of product development and architecture across our rail technology portfolio
- A total of 50 heads will have left the business by the end of FY24 as a result of new integrated operating model
- Enhanced IT and software product operating model implemented (including enhanced cyber security and implementation of groupwide IT support service)
- New groupwide finance system launches in Q4 of FY24
- Legal entity simplification actions will be implemented from Q4 of FY24 onwards
- We have closed two operating sites – others to follow

An additional c£1.0m of exceptional costs will be taken in H2 to deliver the required transformation



A photograph of a gym interior featuring a long row of treadmills. The treadmills are arranged in a perspective that recedes into the background. A large, semi-transparent blue circle is overlaid on the left side of the image, containing white text. The background is slightly blurred, showing the gym's environment.

Contract Wins / Pipeline Growth

Further expansion of RailHub platform

Client – Network Rail



- The RailHub platform continues to expand through funded development by Network Rail bringing together all short- and long-term planning
- **Access Register** – launched in March 2024, this new functionality provides UK wide visibility of all pre-approved track access, including possessions, line blockages and ‘whitespace’ opportunities
- **Access Planning System** – design, build and support of two mission critical solutions which will go live in early 2026:
 1. Engineering Access Statement
 2. Replacement of legacy Possession Planning System



Launch of new Dispatch product in N.A.

Client – Northern Indiana Commuter Rail



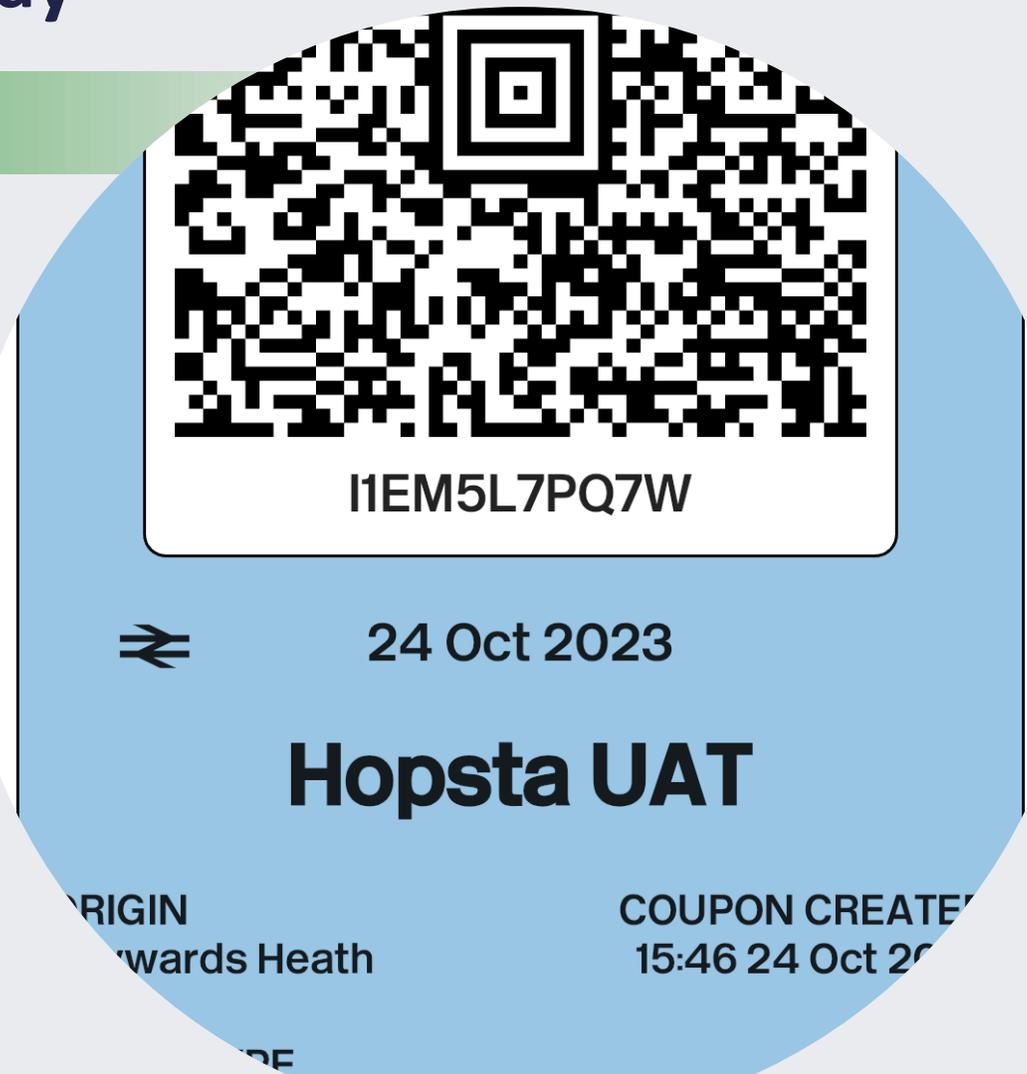
- Tracsis' Computer Aided Dispatch system enables control room personnel to safely and efficiently route and manage train movements across the rail network
- A new and important Positive Train Control (PTC) variant of this product launches in May 2024 with the Northern Indiana Commuter Transportation District which runs into Chicago
- Significant market growth opportunity across Commuter Rail and Freight operators in North America which will drive future increases in Annual Recurring Revenues



Hopsta smart ticketing pilot underway

Client – UK Train Operator

- 6 month Hopsta pilot being rolled out with UK TOC
- Hopsta app takes mTickets (barcode tickets) a step further by removing the need to pre-purchase a ticket, enhancing the journey experience for customers
- App available on the App Store for iOS and Android devices for customers from end of May
- Best value fare guarantee uses Tracsis' smartTIS technology

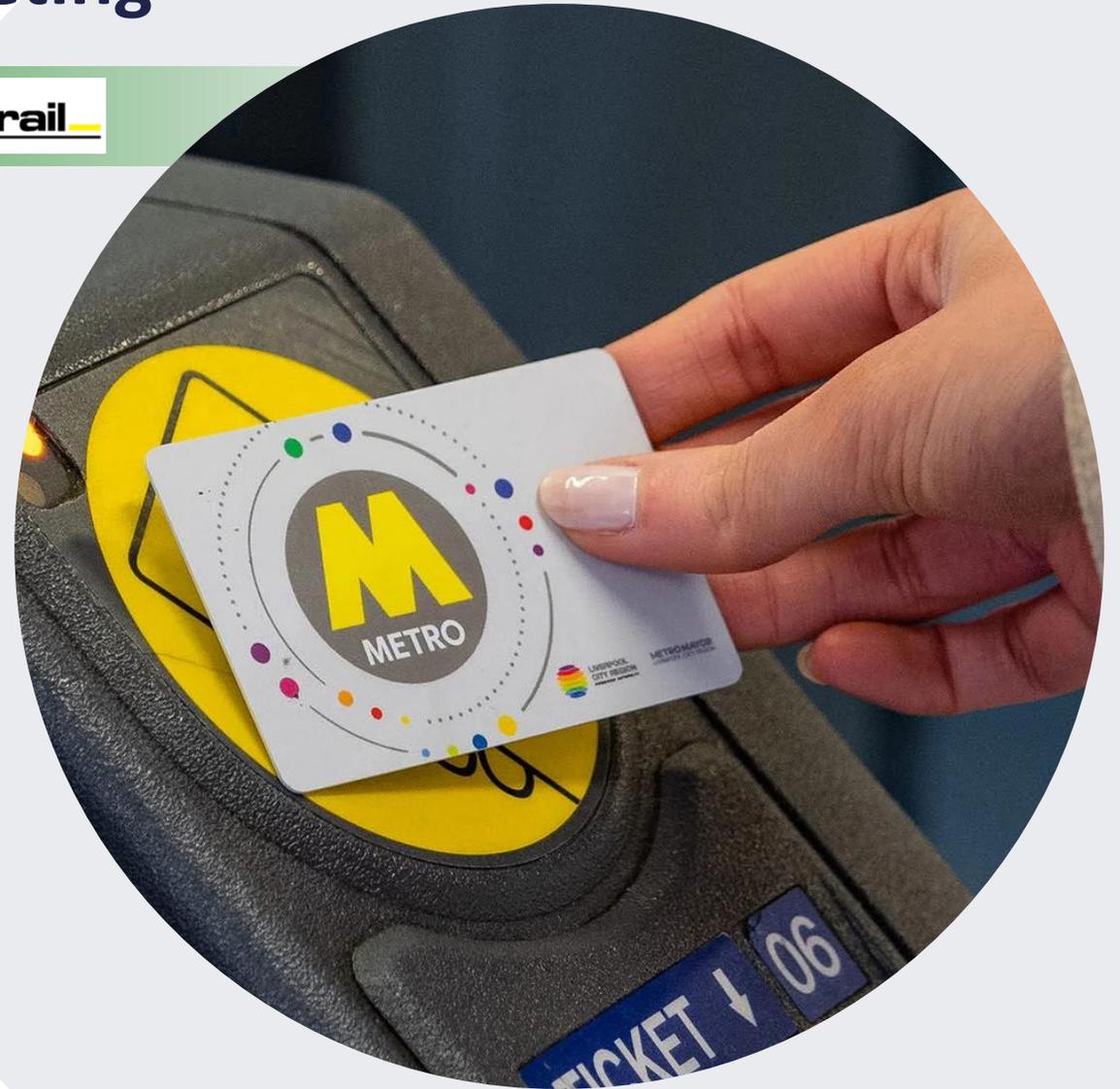


Further UK expansion of PAYG ticketing

Client – Merseyrail



- Tap-and-go ticketing systems launches in Autumn of 2024 across Merseyrail's Northern and Wirral lines
- Phase 1 allows customers to tap in and out using a MetroCard (ITSO smartcard), which will be linked to a bank or credit card to take payment for journeys
- The second phase will launch in 2025, and will allow customers to use their bank card, or devices such as smart phones or watches (EMV Solution), to tap in and out, without the need for a MetroCard
- Best value fare guarantee uses Tracsis' smartTIS technology





Looking Forward

We have clear priorities for the remainder of FY24

Continue to invest in R&D/new technology and deliver ongoing large SaaS projects

Conversion of North American pipeline of rail technology opportunities

Complete business transformation activities

Implement Carbon Reduction Plan

Continue to pursue M&A to extend rail software and technology footprint

Technology makes it possible; people make it happen

We remain confident in our long-term growth prospects

- Digital transformation remains integral to the rail industry's future
- Rail software pipeline continues to grow across passenger, freight and infrastructure sectors
- Activity levels remain high across Data, Analytics, Consultancy & Events Division
- Strong pipeline of M&A opportunities in UK and North America rail technology sectors

A photograph of a gym interior featuring a long row of treadmills. The treadmills are arranged in a perspective that recedes into the background. A large, dark blue circular graphic is overlaid on the left side of the image, containing the word "Appendix" in white, bold, sans-serif font. The background is slightly blurred, showing the gym's lighting and other equipment.

Appendix

Board of Directors



Jill Easterbrook
Independent
Non-Executive Chair



Chris Barnes
Chief Executive Officer



Andy Kelly
Chief Financial Officer



Dr James Routh
Senior Independent
Non-Executive Director



Liz Richards
Independent
Non-Executive Director



Tracy Sheedy
Independent
Non-Executive Director



Ross Paterson
Independent
Non-Executive Director

Tracsis investment case

- 1 A business with critical purpose 'Making Transport Work'
- 2 Operating in a growing, highly fragmented market with structural tailwinds
- 3 Substantial competitive moat with high barriers to entry
- 4 Significant business transformation undertaken
- 5 Attractive financial profile with increasing levels of ARR (60%+ in Rail Tech)
- 6 High quality management team
- 7 Strong ESG credentials

Strategic growth priorities

Organic Growth

- Deliver orderbook of rail technology software contracts
- Growing pipeline of opportunities in UK and North America
- Leverage unique position in North America to accelerate growth
- Continued investment in software and technology products

Expand Addressable Markets

- Targeted growth opportunities in overseas or in adjacent markets – North America is key growth market for rail technology

Enhance Growth Through Acquisitions

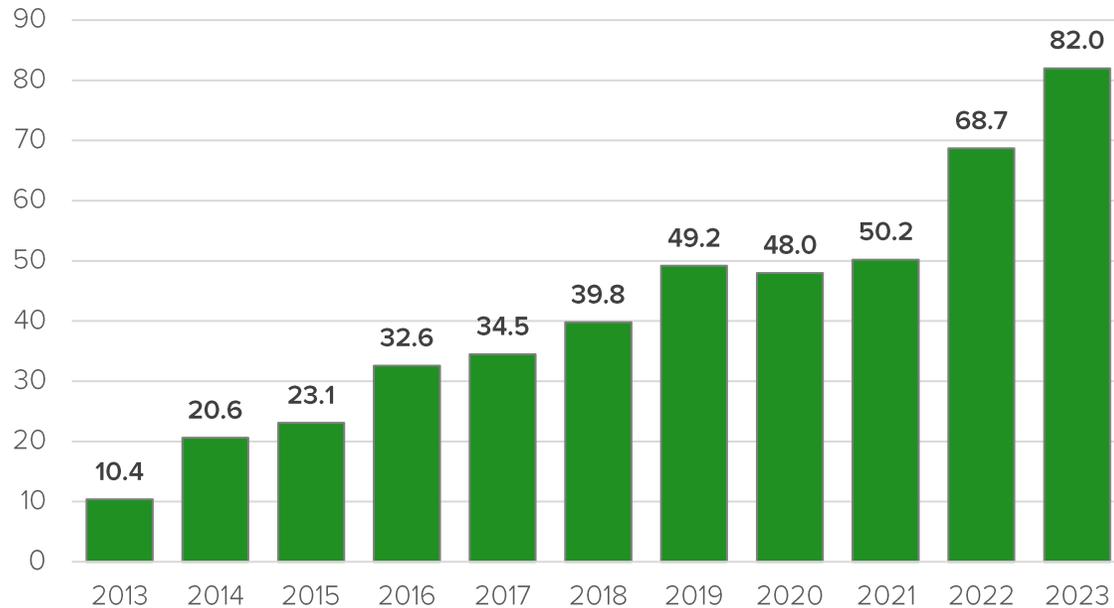
- Active pursuit of M&A to extend rail software and technology footprint
- Focus on growing recurring revenue

Integration and Capability

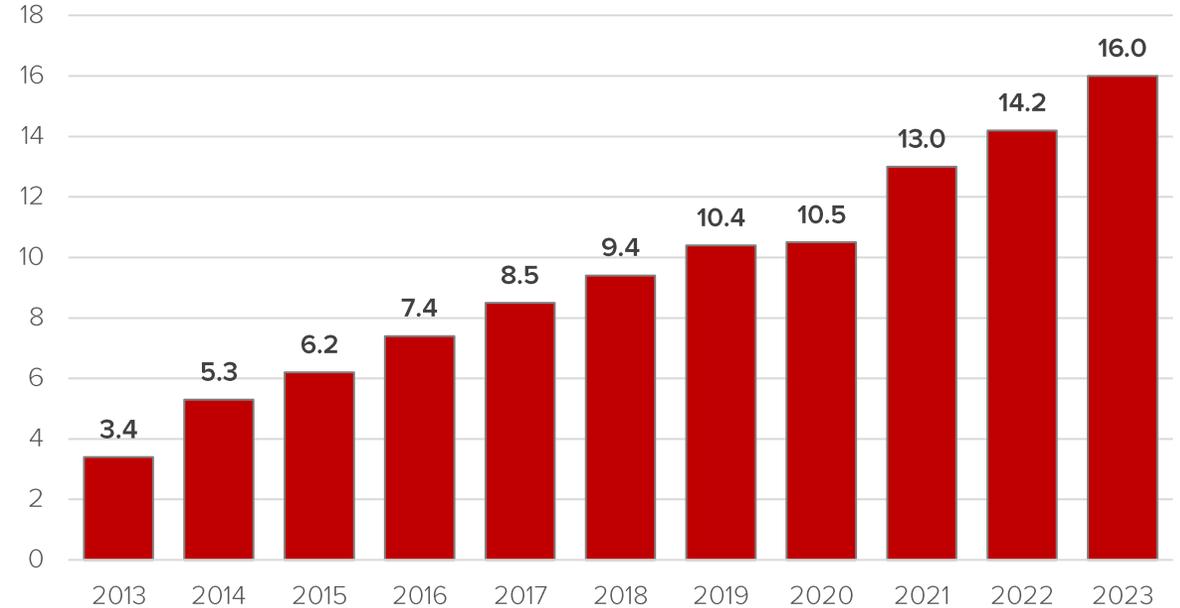
- Complete transformation of Group operating model
- Continued alignment of groupwide systems and processes
- Accelerate R&D collaboration and new product development
- Focused people development

Track record of consistent growth

Revenue (£m)



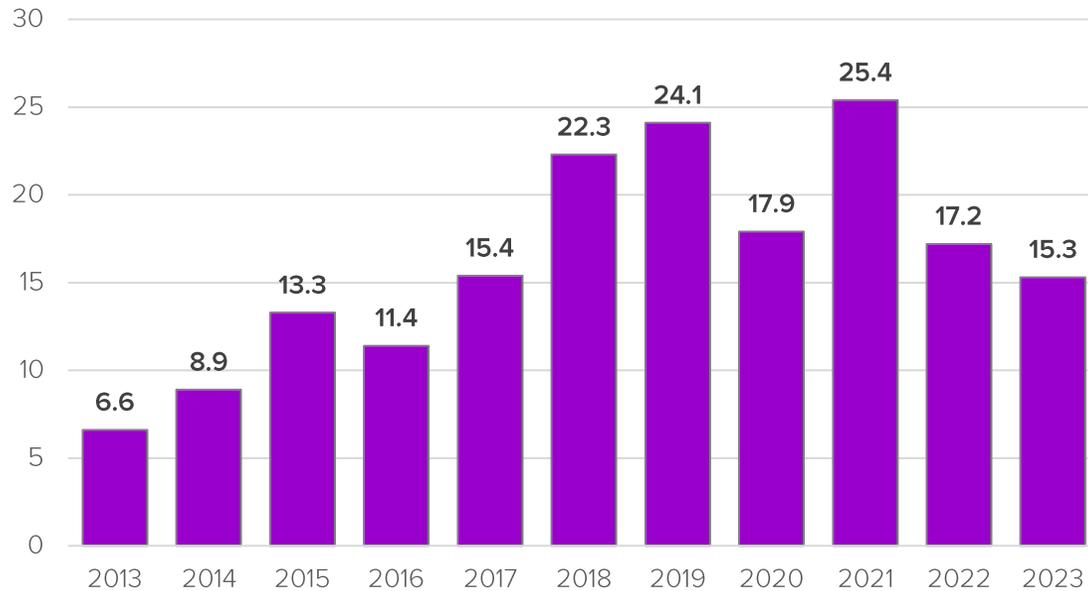
Adjusted EBITDA (£m)



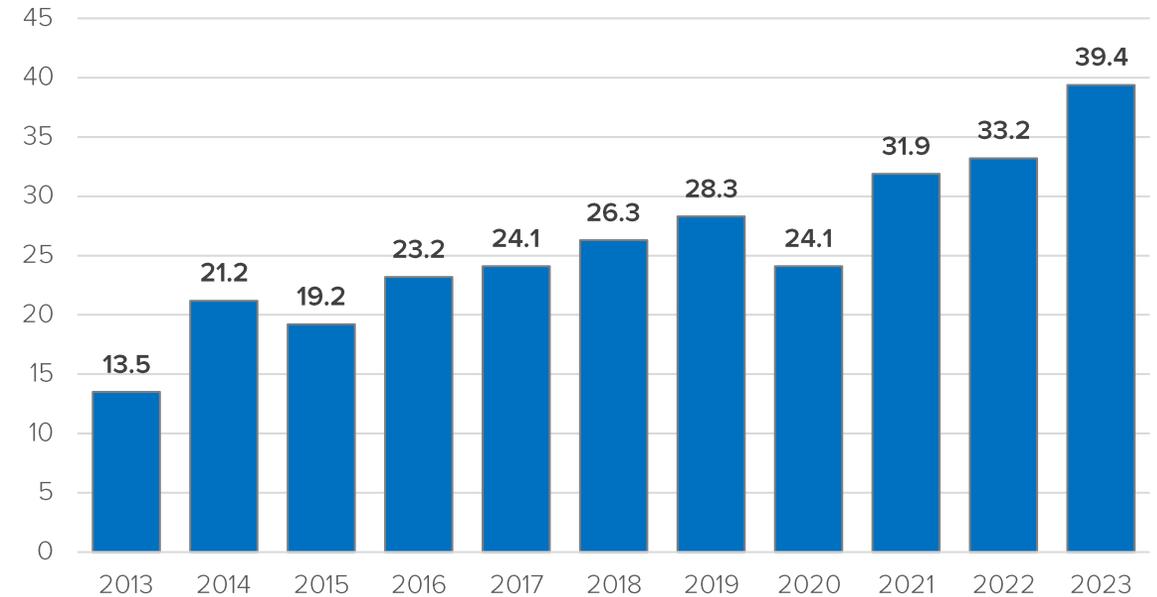
- We have c550 employees based in the UK, Ireland and North America
- Growth is largely self-funded through organic and acquisitive growth (30% CAGR)

Strong cash generation funds acquisitions and R&D

Year End Cash Balance (£m)

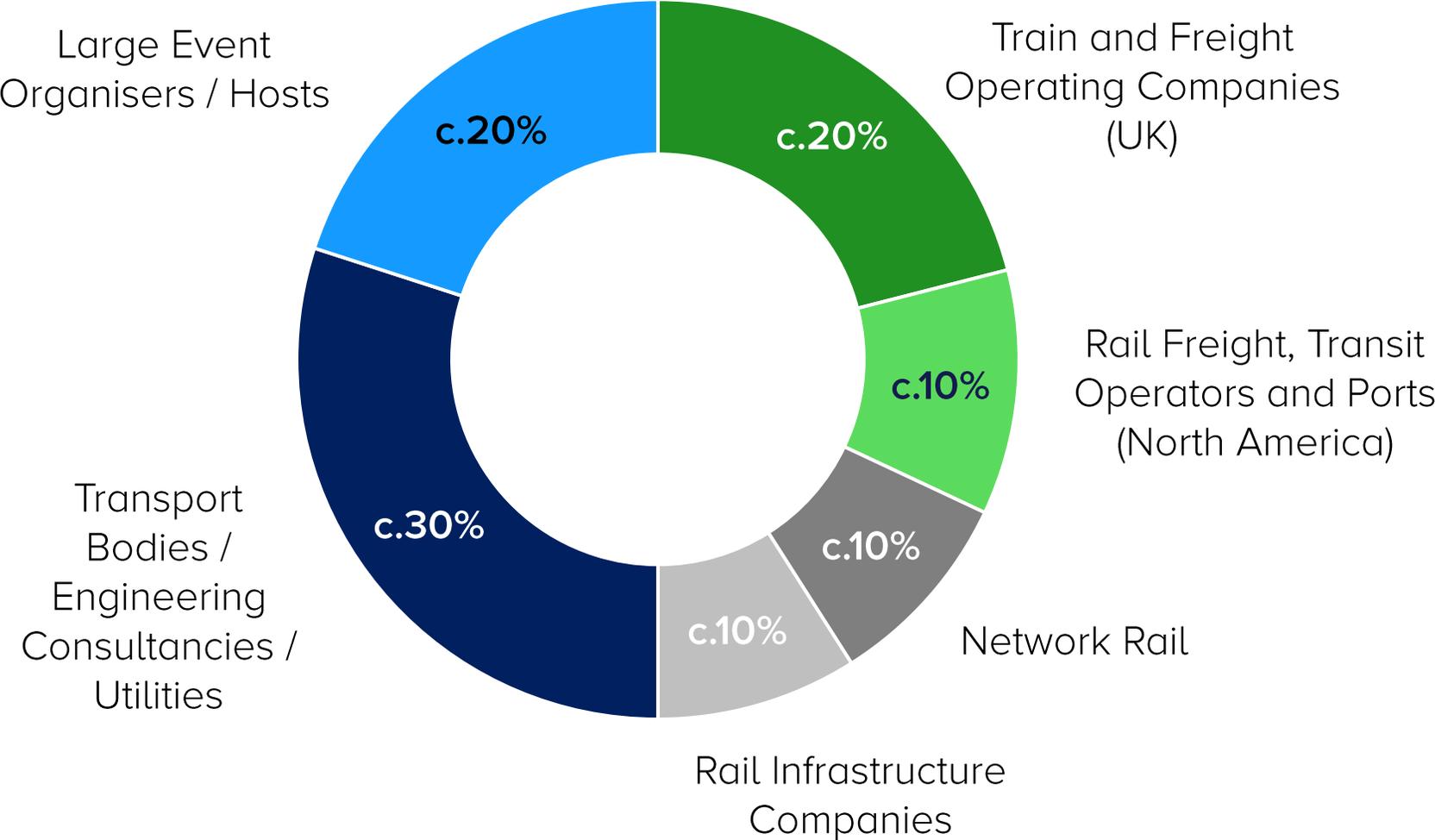


Adjusted EPS (p)



- Business is highly cash generative and has no debt
- We have spent c£40m of cash on acquisitions over the past three years, all self funded
- We have paid out c£9.6m in contingent and deferred consideration in FY23

A diversified portfolio of long-term blue-chip customers



5-year income statement

IFRS 16

£'000	2018-19		2019-20		2020-21		2021-22		2022-23		2023-24
	H1	H2	H1								
Revenue	18,750	30,469	26,365	21,633	22,239	27,998	29,182	39,541	39,213	42,810	36,582
Adjusted EBITDA *	4,239	6,275	5,586	4,877	5,431	7,547	6,167	7,994	7,464	8,488	5,674
Operating Profit	2,232	4,464	2,611	1,812	1,608	3,548	1,635	1,620	2,380	4,875	(308)
Profit Before Tax	2,121	4,438	2,419	1,692	1,102	3,533	1,280	1,278	2,256	4,880	(268)

* Earnings before net finance expense, tax, depreciation, amortisation, share-based payments, exceptional items, other operating income and share of result of equity accounted investees.

5-year balance sheet

£'000	Jan-19	Jul-19	Jan-20	Jul-20	Jan-21	Jul-21	Jan-22	Jul-22	Jan-23	Jul-23	Jan-24
Property, Plant & Equipment	2,476	2,678	3,564	3,581	3,312	3,540	3,767	4,897	4,585	4,789	5,104
Intangible Assets / Investments	33,291	40,510	38,678	55,465	53,236	52,400	53,540	63,548	60,779	57,694	55,242
	35,767	43,188	42,242	59,046	56,548	55,940	57,307	68,445	65,364	62,483	60,346
Inventories	357	381	384	430	386	381	406	1,090	1,234	1,465	1,461
Trade & Other Receivables	8,330	9,729	8,452	6,382	7,335	11,263	11,786	18,454	17,874	20,999	15,214
Cash ¹	18,703	24,104	26,045	17,920	20,784	25,387	25,057	17,187	16,991	15,307	16,755
	27,390	34,214	34,881	24,732	28,505	37,031	37,249	36,731	36,099	37,771	33,430
Total Assets	63,157	77,402	77,123	83,778	85,053	92,971	94,556	105,176	101,463	100,254	93,776
Deferred Tax (net)	(3,886)	(5,275)	(4,957)	(7,357)	(6,793)	(7,966)	(7,701)	(7,942)	(7,372)	(6,511)	(6,243)
Contingent & Deferred Consideration	(3,534)	(6,183)	(6,126)	(7,334)	(7,869)	(8,801)	(9,979)	(9,926)	(9,557)	(447)	(459)
Trade & Other Payables	(11,136)	(17,498)	(14,949)	(15,623)	(15,068)	(19,066)	(16,984)	(26,859)	(21,196)	(25,525)	(19,085)
Current Tax	(495)	(505)	(793)	(439)	(891)	(473)	(912)	-	-	-	(126)
Total Liabilities	(19,051)	(29,461)	(26,825)	(30,753)	(30,621)	(36,306)	(35,576)	(44,727)	(38,125)	(32,483)	(25,913)
NET ASSETS	44,106	47,941	50,298	53,025	54,432	56,665	58,980	60,449	63,338	67,771	67,863

¹ Cash and cash equivalents, and cash in escrow

List of significant shareholders

Holder	% Held
Investec Wealth & Investment	9.3%
Charles Stanley	8.0%
Schroder Investment Management	6.6%
Unicorn Asset Management	6.0%
Rathbones	5.2%
BGF	3.8%
Canaccord Genuity Wealth Management	3.7%

*As of 31 January 2024, there were 30,161,931 shares in issue
As of 31 January 2024, 0.13% of the shares are not in public hands*