

Quartix Holdings PLC

Trading Statement

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Quartix Holdings plc, one of Europe's leading suppliers of subscription-based vehicle tracking systems, software and services, reports that it will publish results for the year ended 31st December 2016 on Monday 27th February 2017.

Revenue for the period is anticipated to be slightly ahead of market expectations and profit is expected to be in line with expectations. Free cash-flow continued at a strong level, and the Company expects to be in a position to pay a supplementary dividend along with the final dividend, in line with the policy it announced in February 2016. The results, together with accompanying presentations, will be posted on the Company's website at www.quartix.net/investors, and shareholders will be welcome to submit any questions for management via the site.

The Company's subscription base in its core fleet operations increased by 14% in the UK to over 71,000 vehicles, by 95% in the USA to more than 6,000 vehicles, and by 26% in France to just under 10,000 vehicles.

New unit installations in the insurance sector grew by 22% to 69,000 vehicles. Despite this growth, installations in the second half were 13% lower than in the first half. This trend was in keeping with the decision announced at the time of the Company's interim results in July to focus on its core fleet market and on only those insurance opportunities which offer satisfactory margins and which are closely aligned to its fleet business, a trend we see increasing in 2017. Quartix continues to take steps to manage its cost base in line with this strategy, particularly given continued price pressure in the insurance market.

Our strong financial performance in the year allowed us to increase investment in key product and market developments in the second half. We believe that the Company has significant opportunity for growth in its fleet business, particularly in the USA. We ended the year with good growth in fleet installations in the USA and have taken the decision to make additional investment in business development in 2017. The additional investment, taken together with the strategic decision to move away from low margin insurance sales means that we are now expecting to deliver 2017 results broadly in line with 2016 results.

Andy Walters, Managing Director, commented: "We are delighted with the progress made in 2016, having increased our fleet subscription base by 19% to more than 87,000 vehicles in total. We completed some key product initiatives and expanded our footprint in the USA and now believe that it is appropriate to increase investment in the development of this market, which we estimate to be more than 5 times the size of

the UK market. I look forward to updating shareholders on these initiatives at the time of our results announcements."

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