

Quartix Holdings PLC

Trading Statement

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12 January 2018

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Trading Statement

Quartix Holdings plc, one of Europe's leading suppliers of subscription-based vehicle tracking systems, software and services, is pleased to provide an update on trading for the year ended 31 December 2017 and to report that it will publish results for the year ended 31 December 2017 on Monday 26 February 2018. As detailed further below, revenue for the period is anticipated to be slightly ahead of market expectations with profit expected to be moderately ahead.

In the year to 31 December 2017 the Company's subscription base in its core fleet operations increased by 16% in the UK to 83,100 vehicles, by 48% in the USA to 9,100 vehicles, and by 31% in France to 13,000 vehicles. New fleet installations increased by 23% to 27,250 and the client base grew by 20% to just under 11,000. As announced a year ago, investment has been made in the development of the Company's fleet business in the United States. To date this has included further local recruitment, product development and a new sales and marketing automation platform. The Company is now able to build on these foundations with an enhanced level of marketing expenditure in 2018. It will also continue investment in some aspects of product development which were not completed in 2017. These parts of the investment intended for 2017 will, therefore, be carried over into 2018 and management believes that profit for 2017 will be moderately ahead of market expectations as a result.

New unit installations in the insurance sector fell by 17% to 57,800 vehicles. This trend was in keeping with the strategy stated in July 2016 and in early 2017, namely that of focusing on only those insurance opportunities which offer satisfactory margins and which are closely aligned to the Company's fleet business. As noted in July 2017, some volume lost in the first half was reinstated as Quartix resumed supply for an insurance customer which had switched to a low-cost competitor earlier in the year. This has had a positive effect on revenue, which is also now expected to be slightly ahead of market expectations.

The Company achieved strong levels of free cash-flow and expects to pay a supplementary dividend along with the final dividend. The results, together with accompanying presentations, will be posted on the Company's website at www.quartix.net/investors on 26 February, and shareholders will be welcome to submit any questions for management via the site.

Further to the announcement made in September, David Bridge stepped down as Finance Director on 31 December 2017 and has now also stepped down from the Board, although he remains with the Company to help Daniel Mendis in the preparation of the 2017 results. Daniel joined the Board as CFO on 1 January 2018, as previously indicated. I would like to take the opportunity to thank David for 10 years of outstanding service to the Company. The Board is also pleased to announce the appointment of Cantor Fitzgerald Europe as joint broker to the Company, alongside finnCap, with immediate effect.

Andy Walters, Chief Executive, commented: "We are delighted with the progress made in 2017: we have built a good platform to invest in our US operations, achieved satisfactory margins in our insurance business and grown our core fleet customer base by 20%. We look forward to 2018 with confidence."

The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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